



annual

On the year 2015 and prospects
for Deutsche Börse Group

The right solution

More than 30 trading venues around the world
already use Deutsche Börse Group's technology. Our
experience – always the right solution.

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Our clear vision is to turn Deutsche Börse into the global market infrastructure provider of choice, being top-ranked in all its activities.

Dear readers,

This Annual is the “accelerated” version of our corporate report. Key information, and to the point: the Annual comprises an overview of Deutsche Börse Group, and of our “Accelerate” growth strategy. We are looking at the present state of the Group – but of course we will also take a look ahead to what we have planned for the near future, as well as potential innovations over a longer period. We have thus structured the report into three sections: Status, Ambition, and Innovation.

We accept responsibility in all of these areas. Not only are we determined to be the number one for our customers and investors – we also take the needs and interests of all relevant stakeholders into account. Dialogue and transparency are key aspects in this context. This is why we not only expanded our stakeholder survey in 2015, but also further developed our reporting, bringing it in line with the standards set by the Global Reporting Initiative (GRI): our Annual and our financial report 2015 have both been prepared in accordance with the GRI G4 framework for the first time.

We are looking back at a successful year. Yet we have no intention of resting on our laurels. We must grow much faster in the future. We have called our strategy – designed to achieve faster growth – “Accelerate”. The purpose of this strategy is to propel Deutsche Börse Group into the global number one or number two position – in all of its business areas.

And we are making good progress. Last year, we acquired the remaining stake in index provider STOXX, and also took over the foreign-exchange trading platform 360T, an enterprise that is a blueprint for entrepreneurial courage, client proximity and innovation. You can read more about 360T and its founder Carlo Kölzer on [page 22](#).



Talking about client proximity: we want our clients to be our focus, throughout the Group and for the long term. Under the leadership of our new Global Head of Sales, Robert Jolliffe, we have established a team of Group Relationship Managers. You will find an interview with Robert on [page 32](#).

Client relationships are one part of the equation – client-focused solutions are the other: they must go hand in hand. This is why we have centralised our product development, coordinated by Ashwin Kumar, our new Global Head of Product Development. He talks about his plans on [page 18](#).

We continue to focus on Asia, and especially China – one of the world’s most important growth regions. We founded the China Europe International Exchange (CEINEX) at the end of October 2015, a European-Chinese cooperation that is truly unique worldwide, with which we are preparing for the future.

To ensure that “Accelerate” is a success, we realigned Executive Board portfolios at the beginning of 2016. The goal of all these steps is to act faster, and in a more focused and client-oriented manner.

I hope you will enjoy reading our Annual.
Yours sincerely,



Carsten Kengeter
Chief Executive Officer





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INNOVATION

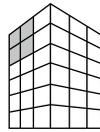
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STATUS – DEUTSCHE BÖRSE GROUP

An overview

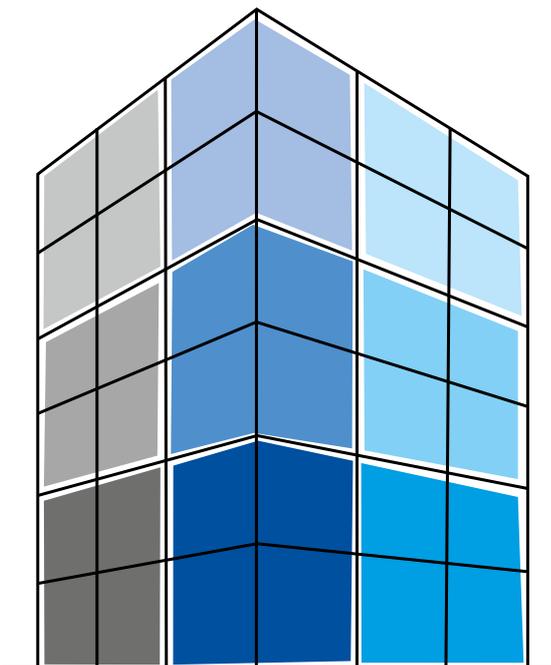


PRE-IPO AND LISTING

1

Start-up companies often enter into a decisive phase when their business requires liquid funds in order to boost their market profile and to expedite growth. It is specifically for companies in this phase that Deutsche Börse launched its Venture Network. A company's presence on the stock exchange starts with the exchange listing. The Frankfurt Stock Exchange allows companies of all kinds and sizes to raise equity or debt capital – SMEs or large enterprises, domestic or international. Investors may participate in the growth of the real economy – promoting it at the same time by providing capital.

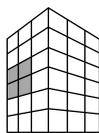
Our brands: Deutsche Börse, Börse Frankfurt



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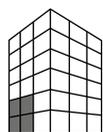


2

TRADING

Deutsche Börse Group operates regulated markets for equities, bonds and numerous other products using its Xetra® electronic trading system. The Group also facilitates trading of derivatives – i.e. contracts derived from other assets or reference values (including equities, indices, German and European government bonds, foreign exchange or commodities), which are traded on the various Eurex trading platforms based on the T7® market architecture. This also encompasses electricity and gas trading at the European Energy Exchange. Foreign exchange trading takes place via the 360T® platform.

Our brands: Xetra®, Eurex®, European Energy Exchange, 360T®, Börse Frankfurt, Tradegate

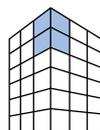


3

CLEARING

Clearing denotes the offsetting of transactions to reduce risk positions. In addition, Deutsche Börse Group's clearing houses – Eurex Clearing AG and European Commodity Clearing AG – act as central counterparties: as buyer to each seller, and as seller to each buyer to minimise counterparty risk. Moreover, centralised clearing for off-exchange (over-the-counter, OTC) trades is gaining importance, due to financial markets regulation but also reflecting the security features. Deutsche Börse Group offers an efficient clearing platform for all types of trading activities.

Our brands: Eurex Clearing, European Commodity Clearing



4

SETTLEMENT

Following trading and clearing, settlement involves the accurate booking of individual items, with the exchange of securities against money. The booking of securities transactions to individual client securities accounts is also ascertained during this process. Clearstream, Deutsche Börse Group's provider of post-trading securities services, is responsible for efficient global securities settlement.

Our brand: Clearstream

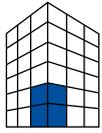


5

CUSTODY

Once assets have been settled correctly, they are held in safe custody. Clearstream administers assets throughout the period for which they are held, offering services such as the handling of corporate actions and dividend payments – across all product types. Moreover, these services allow market participants to efficiently comply with their regulatory obligations.

Our brand: Clearstream

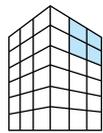


COLLATERAL AND LIQUIDITY MANAGEMENT

Through Clearstream’s Global Liquidity Hub, Deutsche Börse Group offers financial institutions optimal liquidity and collateral management. Due to its links to depository banks, trading platforms, central counterparties and other national central securities depositories, the open architecture provides real-time access to a rich pool of liquidity.

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Our brands: Clearstream, Eurex Repo®

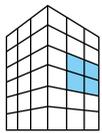


MARKET DATA

Private and institutional investors make decisions based on market data, creating new information in turn. Deutsche Börse’s most prominent data products include (real-time) price data generated from its various trading systems, as well as historical market data, plus analytical indicators from trading at its cash and derivatives exchanges.

7

Our brand: Deutsche Börse



INDICES

Through STOXX Ltd., Deutsche Börse Group disseminates indices tracking markets around the world. The STOXX index families are differentiated by country, region, product type, investment theme or strategy; customised indices facilitate tailor-made market analysis in real time. Among the Group’s benchmark products are the EURO STOXX 50® and the German blue-chip DAX® index, which tracks the performance of the 30 largest German companies.

8

Our brands: STOXX®, DAX®



TECHNOLOGY

Resilient, state-of-the-art IT systems provide the foundation for virtually all capital markets services. Deutsche Börse Group develops IT systems for trading, clearing, settlement and custody services, while ensuring the operational reliability of the data centres. Deutsche Börse’s IT processes are certified in accordance with ISO standards.

9

Our brands: Deutsche Börse, T7®, C7®, N7®, F7®

Define and execute Deutsche Börse Group's growth strategy across the value chain, creating a group that is truly one, and enabling a culture of entrepreneurship, innovation and superior customer service

CARSTEN KENGETER,
Chief Executive Officer



HAUKE STARS,
responsible for Cash Market,
Pre-IPO & Growth Financing

Establish new opportunities in our European cash market business, with an active role in growth financing and by establishing a leading pre-IPO marketplace

A new structure – to build the global market infrastructure provider of choice

OUR AMBITION

Drive the essentials of well-functioning markets with our technology, data and new asset class portfolio – safety, integrity, efficiency and innovation



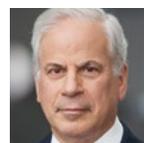
ANDREAS PREUSS,
Deputy Chief Executive Officer,
responsible for IT & Operations,
Data & New Asset Classes

Contribute to the growth strategy of the Group through sophisticated financial, risk and compliance controls with a focus on creating value for our shareholders



GREGOR POTTMEYER,
Chief Financial Officer

Design the right solutions across all asset classes – equity, index, fixed-income, FX, commodities, funds – to create growth opportunities tailored to customers

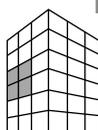
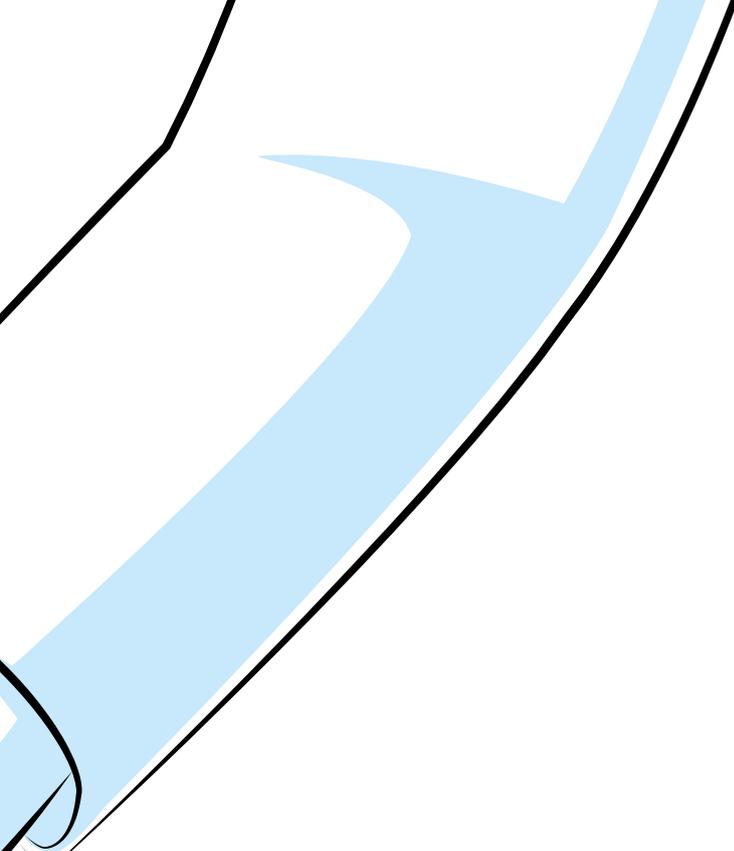


JEFFREY TESSLER,
responsible for Clients,
Products & Core Markets



STATUS – WHY SECURITY IN
TRADING IS A EUROPEAN VIRTUE

“Security is
embedded into
the DNA of our
markets”



TRADING

Exchange trading is the best proxy for a 'perfect' market, mainly because exchanges match supply and demand – directly and free of distortion. Deutsche Börse Group operates regulated markets for equities, bonds, and numerous other products using its Xetra® electronic trading system. The Group also facilitates trading of derivatives – contracts derived from other assets or reference values (including equities, indices, European and US bonds, foreign exchange or commodities), which are traded on the various Eurex trading platforms based on the T7® market architecture. This also encompasses carbon dioxide (CO₂) emissions trading at the European Energy Exchange. Based on free decisions to buy or sell, fair and transparent prices – which, for example in the case of equities, reflect the future potential of companies – are determined across all regulated trading segments.

Trading is a business area of
Deutsche Börse Group. [p. 7](#)

All areas of our lives are getting faster. By switching to electronic trading systems, Deutsche Börse took a key step towards automated trading – almost two decades ago.

“Some critical observers of securities trading are calling for an artificial slowdown of markets – now that is precisely the opposite of what state-of-the-art technology intends”, says Miroslav Budimir, Head of Segment Management, who is responsible for Deutsche Börse Group’s cash market structure. “It is unlikely that such demands will actually materialise.” In fact, mechanisms designed to artificially slow down markets already exist – but they are only used in extreme situations: “These mechanisms exclusively serve to maintain fair, transparent and liquid trading”, Budimir adds.

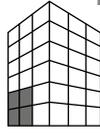
FROM CARRIER PIGEONS TO GLASS-FIBRE CABLES

In trading, time has always been money. Up until the 19th century, carrier pigeons were launched from ships sailing from Europe as soon as the US coast was within reach. They brought the latest news long before ship and crew reached the harbour. This meant that those traders who received the news first were able to adapt their trading patterns and pricing policy accordingly. “Whoever was able to skilfully exploit the benefit of being a few hours ahead had an advantage”, says Budimir. Nowadays, it’s not about hours, but about

milliseconds – no carrier pigeons, and no more telephone calls either. Even open outcry on the trading floor would be far too slow; it takes glass-fibre lines to submit orders: “Speed has always been a principle of free trade.”

IT'S ABOUT PLAUSIBILITY

Whilst trading participants are quick to agree upon the importance of speed, as far as security is concerned, European markets have embarked upon a different route than those in the US, for example: “We have embedded mandatory security features into the DNA of our markets”, explains Budimir. The starting point is plausibility checks, even prior to clients placing their orders into the system. “This is a targeted measure to prevent so-called ‘fat finger’ errors”, says Budimir. “For instance, where a trader would normally buy 1,000 shares at a price of 10 euros, but places an order for 10 shares of the same company at a price of 1,000 euros, the system will detect that something must be wrong.” The mechanism



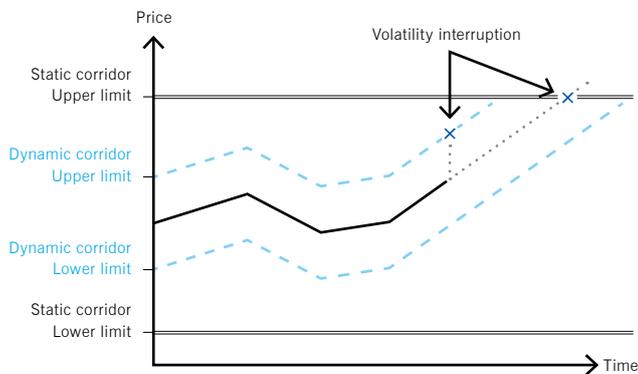
CLEARING

Clearing is used to net claims and liabilities relating to financial instruments to each other. Deutsche Börse Group's clearing houses – Eurex Clearing AG and European Commodity Clearing AG – act as central counterparties: as buyer to each seller, and as seller to each buyer. Market participants pledge collateral that allows management of the risk exposure from trading. The clearing function is akin to insuring market participants against the default of a contractual counterparty. Moreover, centralised clearing for off-exchange (over-the-counter – “OTC”) trades is gaining importance, due to financial markets regulation but also reflecting the security features. Deutsche Börse Group offers an efficient clearing platform for all types of trading activities; the Group continuously enhances and expands its services offer in this field. Most recently, Deutsche Börse introduced a mechanism that allows the execution and settlement of large orders without burdening the market (i.e. without price distortions), and in line with regulatory requirements. Deutsche Börse thus lives up to its responsibility of facilitating regulated trading with a maximum of service quality and efficiency – making it as attractive as possible.

Clearing is a business area of Deutsche Börse Group. [p. 7](#)

built into Deutsche Börse's systems is called 'volatility interruption' – a very effective protection against a phenomenon that made headlines in the US: the so-called 'flash crash'. Using pre-defined price ranges ('corridors'), the volatility interruption mechanism is an electronic plausibility check of the next price that is going to occur. If that price is outside one of the corridors, continuous trading will be interrupted for a short period of time; the market will be informed about this situation. Market participants are thus given time to review their orders, and to adjust (or delete) them in order to adapt to the new situation. Continuous trading resumes after a volatility interruption.

Static and dynamic price corridors

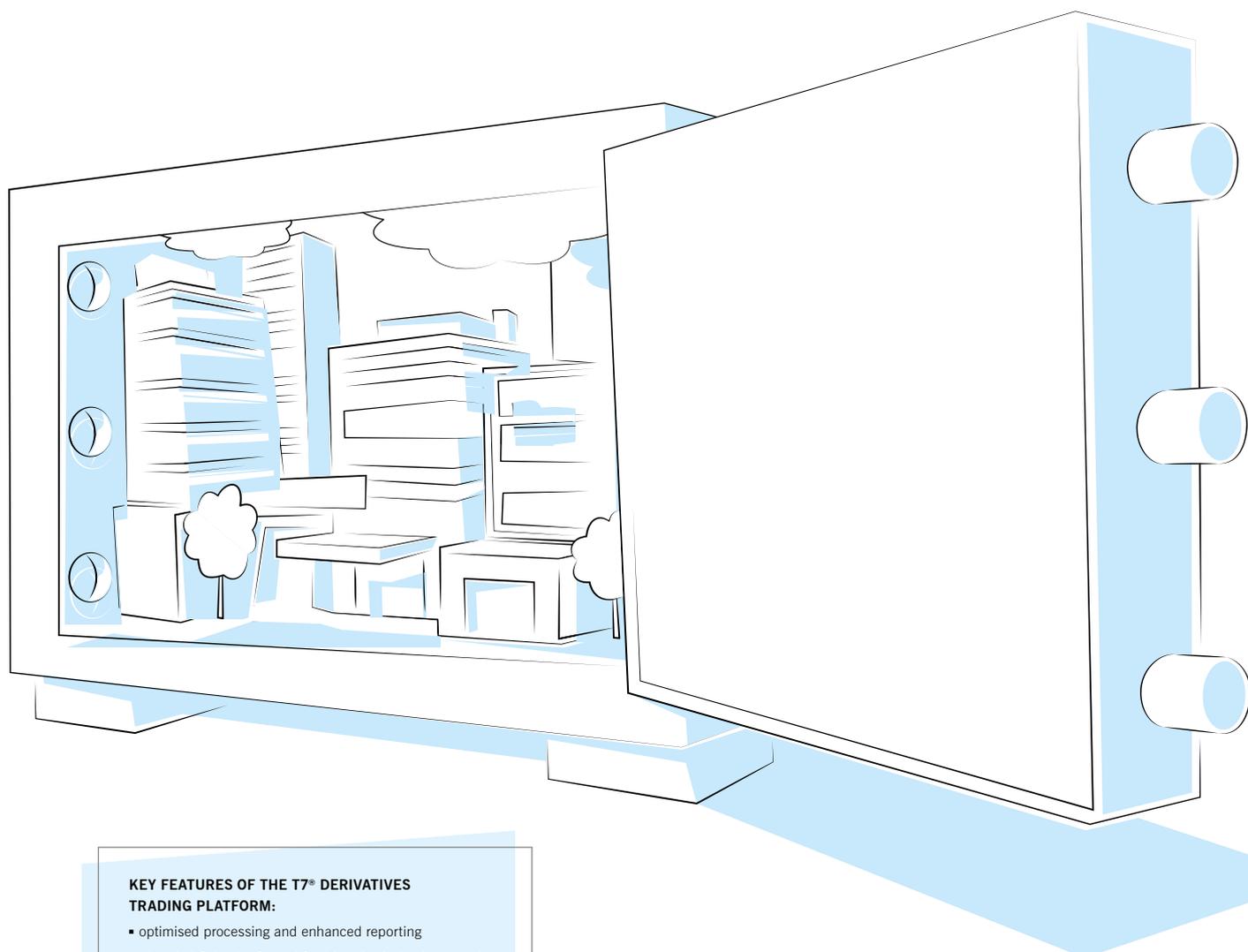


“We use two different corridors for the purpose of volatility interruptions: the dynamic price corridor is based on the last price determined; it is designed to capture and prevent abrupt price changes”, Budimir adds. “The static price corridor is wider – and hence more stable – than the dynamic one. We use the static corridor to detect a series of small, successive price changes which, taken together, would constitute a more extensive price movement – a ‘flash crash’, for example.” This means that where a trading pattern would gradually shift the dynamic price corridor – and would thus neutralise its check function – the static corridor would nonetheless trigger a volatility interruption. Budimir adds: “Continuous

trading would also be interrupted in this scenario. We have also taken precautions for cases where the price continues to diverge strongly from the preceding price level, even after a volatility interruption. In this case, our third security feature will be triggered: an extended volatility interruption, where a qualified employee of Deutsche Börse checks for any news and corresponding order book situation that would justify such an unusual price movement. The employee's decision when to resume trading is thus based on regulations passed by the management as well as personal expertise and experience.”

TRANSPARENCY AS A MATTER OF RESPONSIBILITY

Budimir stresses the importance of the underlying principle: after all, even extreme price fluctuations may be justified in specific cases: “Of course, new facts emerging about a company, or other news, may provide a justification for a price divergence”, Budimir explains. “All we want to avoid is sudden, abrupt spikes – not strong price fluctuations per se. After all, as a market operator, we are not in a position to assess what price is appropriate for a given share traded on our markets. This assessment



KEY FEATURES OF THE T7® DERIVATIVES TRADING PLATFORM:

- optimised processing and enhanced reporting
- extended Calendar Spread functionality (calendar spreads support the trading of differences between different options [and futures] contracts on the same underlying instrument, but with different contract months)
- markedly faster listing of new products and introduction of new functional features
- more flexible timelines for implementing software upgrades

KEY FEATURES OF THE XETRA® RELEASE 16 TRADING PLATFORM:

- fast trading of large-volume orders, without negative market impact (Volume Discovery Order)
- MiFID II-compliant solutions
- optimum execution of large ETF orders through interaction with the entire order book (Designated Sponsor Quote Request)
- protection against unwanted order execution against the participant's own orders (Self Match Prevention)

To directly contact the Eurex Exchange and Xetra teams:

✉ technology.roadmap@eurexchange.com

✉ xetra@deutsche-boerse.com

takes place through interaction between buyers and sellers – by way of their placing orders on our market – and the resulting price discovery process. We support this process by setting the rules for such interaction – rules that apply for all market participants, and which we make transparent. This strengthens the trust of market participants in the price discovery process, and hence, in trading on markets organised by Deutsche Börse. You could say that we define the grammar, not the specific content. Our clients appreciate the robustness of our markets, as demonstrated by technical availability and reliability, but also in terms of fast, fair and transparent trading”, Budimir states. ✕

Accelerate

AMBITION – STRATEGIC PERSPECTIVES

“Accelerate” is the name of Deutsche Börse’s growth programme, which we launched in July 2015. Accelerate is the result of a detailed analysis of our strategic focus, as well as our organisational structures and business processes. The purpose of Accelerate is to secure our growth momentum through numerous initiatives, to boost this momentum over the medium term and to strengthen and ensure the Group’s economic and social value in accordance with our sustainability strategy.

FIVE STEPS TO REACH THE NUMBER ONE SPOT

Accelerate pursues a clearly defined vision: to turn Deutsche Börse into the global market infrastructure provider of choice, being top-ranked in all its activities

along the entire value chain. The growth programme will help us to focus more strongly on our clients’ needs, and to enhance the efficiency of our processes.

Accelerate comprises five elements:

1. to better fulfil client needs, through a more rigorous organisation
2. to improve performance measurement and performance-oriented remuneration
3. to review the medium-term financial planning
4. to exploit opportunities for external growth
5. to review and examine the portfolio of businesses and investments

Our key approaches – which are aligned with these five strategy elements – are summarised as follows:



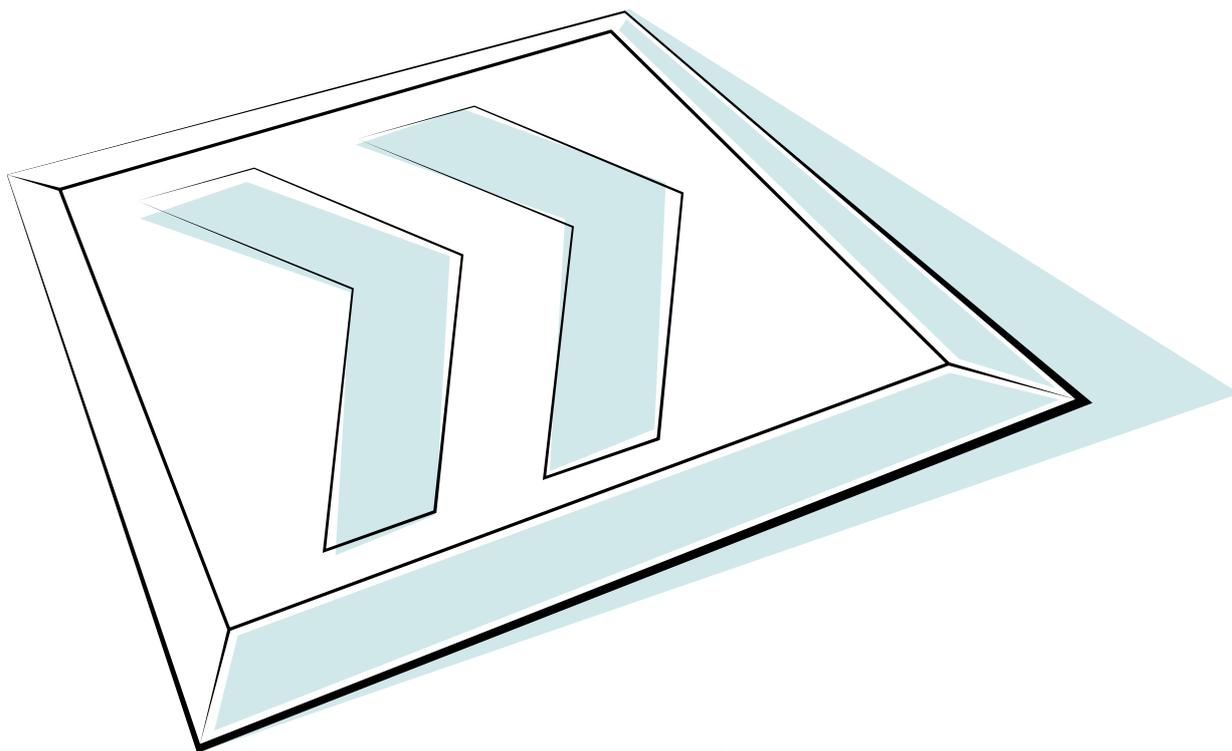
STRUCTURAL CHANGE WITHIN THE COMPANY SHARPENS FOCUS ON CLIENTS

Going forward, we will apply a joint approach to marketing, innovation and operations within Deutsche Börse Group. This organisational change will enable us to better serve new client needs, and to tap sales potential which we have not been able to explore to date. In order to expedite structural change within the company, and to intensify Group-wide cooperation, we have established a Group Management Committee, as a first step. This committee brings together executives from all parts of the Group – its composition will be variable, in line with the Group's strategic needs. Moreover, our new Managing Directors for Group Sales (Robert Jolliffe) and Group Business & Product Development (Ashwin Kumar), both based in London, will

improve coverage of our top customers, and will enhance our client-oriented offers. In addition, we have restructured the entire Executive Board (for details, please refer to the [\[X\]](#) CEO's letter to shareholders as well as the [\[X\]](#) combined management report of the financial report 2015.

NEW STAFF INCENTIVES

We will gradually introduce new systems for measuring staff performance, and for determining remuneration. Besides enhancing incentive structures, this will establish a more direct responsibility for profit and loss. The objective is to increase performance orientation on all levels – at the same time, we want to raise the Group's attractiveness for the top talents in our sector.



FASTER GROWTH – WITH CLEARLY DEFINED TARGETS UP TO 2018

Our competitors use their strong results to expand their business lines – some of them on a massive scale: ICE, the Intercontinental Exchange, has acquired Interactive Data Holdings Corp. for US\$5.2 billion, thus boosting its presence in the data business. In other words: the market for financial infrastructures is undergoing massive changes – to stand still in such a situation simply means falling behind.

This is why we want to invest into new markets and asset classes at a faster pace than in the past. In fact, during the course of revising our financial planning until 2018, we already identified opportunities for organic growth. We set clearly defined targets for profit growth – also with a view to safeguarding the scalability of our business model by making sure our technical systems are prepared to support the expansion of our product and service offers – at minimal cost.

The targets of our revised financial planning are as follows:

- We strive for net revenue growth of between 5 and 10 per cent per annum until 2018, based on the Group's current business portfolio and assuming a continued recovery of the world economy as well as medium-term interest rate rises.

- Earnings before interest and tax (EBIT) and consolidated net profit for the period attributable to the shareholders of the parent company are targeted to grow by between 10 and 15 per cent per annum.
- This implies a target range of between €2.8 billion and €3.2 billion in 2018 net revenue (up from the previous target range of €2.3 billion to €2.7 billion), and EBIT of between €1.55 billion and €1.75 billion for 2018.

To achieve these growth targets, three fundamental cost management principles will apply:

- Our business model must be scalable – not just as a “snapshot”, but on a sustained basis. Hence, single-digit net revenue growth requires stable operating costs; costs will be permitted to rise by around 5 per cent if revenues grow by a double-digit percentage.
- We will continuously enhance our operational efficiency, with a focus on our clients' needs. We will offset inflationary effects and salary increases through internal cost savings.
- We will create additional scope for further investments by removing hierarchies, consolidating functions in competence centres, and through further improvements in procurement and purchasing.

SUCCESSFUL TAKEOVERS AND COOPERATIONS SHOW THE WAY TO THE FUTURE

We will also continue to pursue external growth options – not only in order to strengthen existing growth areas, but also to explore new asset classes and services. What is essential in this context is to remain disciplined, to

act with an eye to the future and to grow only where we can create sustainable value. The acquisitions of STOXX and 360T are cases in point.

In July 2015, we acquired the remaining 50 per cent stake in index provider STOXX that we did not already own from SIX Swiss Exchange, thereby achieving full control. This will significantly increase our strategic flexibility, allowing us to benefit from the fast-growing index business to an even larger extent.

With the acquisition of 360T, a fintech, we have gained exposure to foreign exchange – an asset class that is quite new to us – and hence, access to new clients. Based in Frankfurt/Main, 360T is a global foreign-exchange trading platform with a broad customer base that includes corporates, buy-side clients as well as banks. Since its foundation in 2000, 360T has been posting double-digit annual growth rates. Our acquisition of 360T will provide the company with a further boost to its organic growth momentum; moreover, the combination provides the option of realising revenue synergies in a high double-digit million euro amount over the medium term. We will be leveraging our international distribution network and our expertise for this purpose.

In Asia, cooperations offer particularly strong potential. We are already successfully cooperating with Korea Exchange (KRX) and the Taiwan Futures Exchange (TAIFEX), jointly offering products based on their respective blue-chip indices. At the end of October 2015, we made a great leap forward in our strategy for Asia. In cooperation with the Shanghai Stock Exchange (SSE) and the China Financial Futures Exchange (CFFEX), we founded the China Europe International Exchange

(CEINEX), a trading venue for offshore renminbi products. Immediately after the joint-venture agreement, CEINEX entered into a cooperation agreement with China Construction Bank (CCB). We are therefore making progress with the implementation of our Asia strategy, strengthening Deutsche Börse Group.

REVIEWING CAPITAL ALLOCATION, REMAINING TRUE TO OUR FUNDAMENTAL VALUES

We will continue to examine our portfolio of businesses and investments, whilst maintaining our very sound balance sheet structure and attractive dividend policy.

To achieve our growth targets, we will not compromise on high standards of security and compliance. In an increasingly regulated capital markets environment, we will always comply with applicable rules. Nobody within this company will assume risks which will make us susceptible to attack – a fundamental stance which we will clearly communicate to all our business partners.

Likewise, for a market infrastructure provider such as ourselves, the reliability of our trading and clearing systems remains crucially important. Our core business segments and our IT will continue to join forces in focusing upon solutions.

With Accelerate, we have set ourselves ambitious targets – to meet the high standards of Deutsche Börse Group. Yet there is no change in our intention to secure a stable future, and this is why we regularly review the speed at which we are moving. To prevent falling behind our competitors, we must act neither too hastily, nor too slowly. It is the programme's name that sets the pace: Accelerate. ✕

Ashwin Kumar, a former hedge fund manager and banker, joined Deutsche Börse Group in September 2015 to take on the newly created role of Global Head of Business and Product Development.



“We have the complete value chain”

**INNOVATION – INTERVIEW WITH ASHWIN KUMAR,
GLOBAL HEAD OF BUSINESS AND PRODUCT
DEVELOPMENT, DEUTSCHE BÖRSE GROUP**

**DEUTSCHE BÖRSE GROUP HAS A COMPLETE
VALUE CHAIN. WHERE DO YOU SEE THE BEST
OPPORTUNITIES FOR NEW PRODUCTS?**

In terms of the product development areas, we are looking to develop synergies between all the different aspects of our businesses and offer products which enhance our synergies. In addition, we are looking to commercialise some of these value chains, so we have and bring to the market complete or holistic solutions where we may have previously offered more individual, segmented solutions. Largely speaking we need to focus on our clients, to focus on what our clients' needs are and what solutions we can provide to them. Our clients on both the sell-side and the buy-side accounts

have several constraints being placed on them by regulation, by a revenue stream that is under pressure, and by costs that are escalating on a daily basis. We can provide a variety of different solutions that can address these constraints and bring efficiencies to the marketplace as a whole and in turn to our clients.

**WHICH SYSTEMIC APPROACH TOWARDS DEVELOPING
NEW PRODUCTS DO YOU FOLLOW?**

The client is at the centre of all our activities and that includes product development. Product development at its core is understanding client needs, developing solutions and deploying them in a timely manner. That



“It’s all about the clients’ needs.”

is the way we go about thinking of product development and it is an institution-wide effort. It is an iterative effort of interacting with clients, understanding what their needs are, coming up with products, interacting with clients again and seeing if these meet their needs, what tweaks are required and over a short period of time coming up with the right solution for our clients.

EXTERNAL FORCES LIKE T2S OR MIFID II ARE AFFECTING OUR BUSINESS; HOW MUCH RANGE FOR OUR OWN PRODUCT DESIGN EXISTS?

In fact there is more range for our own market or product design, as certain aspects of what we deliver to our clients get standardised because of some of the regulations you mentioned. The need for value-added services that we can provide to our clients to distinguish our offering from others increases. And as such, our ability to tailor ourselves to better suit client needs and to better enhance value exists.

COULD YOU TELL US ABOUT THE AREAS YOU ARE ENGAGED IN? WHICH BENEFITS DO YOU EXPECT FOR OUR CLIENTS?

We have several initiatives we are currently working on from a Group product development point of view. One of the initiatives that we have been focused on is the whole blockchain space. We are looking at how we can apply blockchain not only for internal efficiencies but also for external marketplaces to bring efficiency, reduce costs and make things easier for our clients. Another area that we have been focused on is the outsourcing space. We are thinking about how we can insource more of our clients’ back-office activities and needs, in order to relieve some of the cost pressures for them. We have also focused on a variety of different value chains we have within our ecosystem, whether they are ETFs or fixed income or securities lending. We are thinking about how we can better serve our clients and provide products that meet their needs in order to bring efficiency as well as lower their costs. ✕

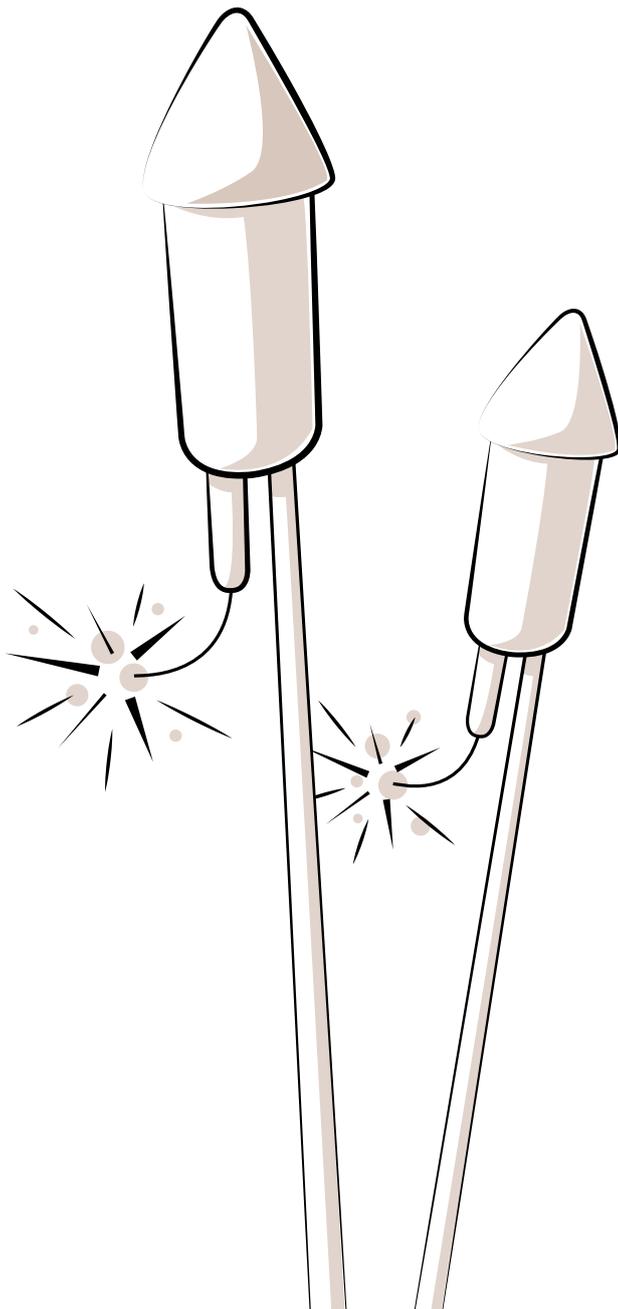
Financing the future

**INNOVATION – DEUTSCHE
BÖRSE VENTURE NETWORK**

Young, innovative companies usually need venture capital to boost their growth momentum following the start-up phase – even before they can contemplate an IPO. Compared to other markets, in Germany there is a gap between supply and demand for this type of financing.

Launched in June 2015, the Deutsche Börse Venture Network sets out to close this gap by facilitating later-stage capital-raising as well as IPOs. Via a protected, web-based online platform, it provides access to a network of national and international investors. Moreover, start-up entrepreneurs are provided with a choice of targeted training offers to ensure they are ready to meet capital markets requirements.

At the end of 2015, the Deutsche Börse Venture Network already had more than 150 members. The 52 registered companies include online shops such as Fashionette, or financial provider Kreditech – but also biotechnology companies such as Proteros or Protagen. The list of 111 participating investors comprises specialist venture capital providers or private equity houses, as well as large investment fund managers and family offices. ✕



PRE-IPO GROWTH

People developing innovative business ideas need lots of stamina – and the necessary capital. Start-up companies often enter into a decisive phase when their business requires a good deal of liquid funds in order to boost their market profile and to expedite growth. It is specifically for these companies that Deutsche Börse launched its Venture Network – an exclusive online platform where investors and entrepreneurs can establish contacts. Within the scope of tailored events, they have the opportunity to get to know each other personally, thereby potentially opening channels for entrepreneurs to raise capital for their business. Specific training courses are also available, where entrepreneurs can acquire the requisite capital markets know-how.

Pre-IPO and Listing is a business area of Deutsche Börse Group. [p. 6](#)



Carlo Kölzer, CEO of 360T, founded the trading platform for foreign exchange (FX) in Frankfurt/Main, Germany, in July 2000. Following the takeover of 360T by Deutsche Börse Group in July 2015, he was appointed Global Head of FX and a member of the Deutsche Börse Group Management Committee in October of the same year.

INNOVATION – A SKILLED “FIN-TECHIE”

The best invention in two decades



Even the best ideas need a certain amount of luck. Carlo Kölzer is strolling contentedly through his company's new office premises in Frankfurt's city centre. A folded children's playpen leans against a desk: 360T's Family Day has just finished. 360T's working language is English – its hierarchies are flat. There is no recording of hours worked; everyone works towards targets, as Kölzer puts it.

The company's beginnings were more humble: back then, looking outside the windows you would not have seen the Taunus hills and the prestigious West End villas – but a traffic junction in Sachsenhausen, the city quarter south of the river known for its pubs rather than for fintech developers. "The server room also served as the smokers' lounge," Kölzer recalls. Saving

money was a priority. Meetings with clients were planned in line with flight schedules, with the cheapest flight to London being the key criterion.

Kölzer previously worked at a bank; he knew from his experience there that banks had failed to develop any new technology for two decades. His idea was to build a central platform for foreign exchange (FX) trading, which lagged equities trading at the time. Frequent misunderstandings were occurring with clients' telephone enquiries (was that "fifty" or "fifteen"?). Why did it take quite a long time before 360T was able to win its first major clients? "As long as nobody used our platform, banks and clients just kept waiting for each other, unsure as to who should move first," Kölzer reports. "Plus: banks were not really interested in our solution –



“The sky is my limit.”

it threatened their margins. Then, Dresdner Bank and Lufthansa approached us: this was the breakthrough.” Availability met readiness.

“THREE GUYS AND A LAPTOP”

The company’s beginnings were anything but easy-going. “We were three guys and a laptop – literally speaking,” says Kölzer. “And even though we had experience in the banking business, we had none in FX.” Not exactly a recipe for success – and there was another issue, as highlighted by an investor’s question: “Who’s your programmer?” A very valid question indeed.

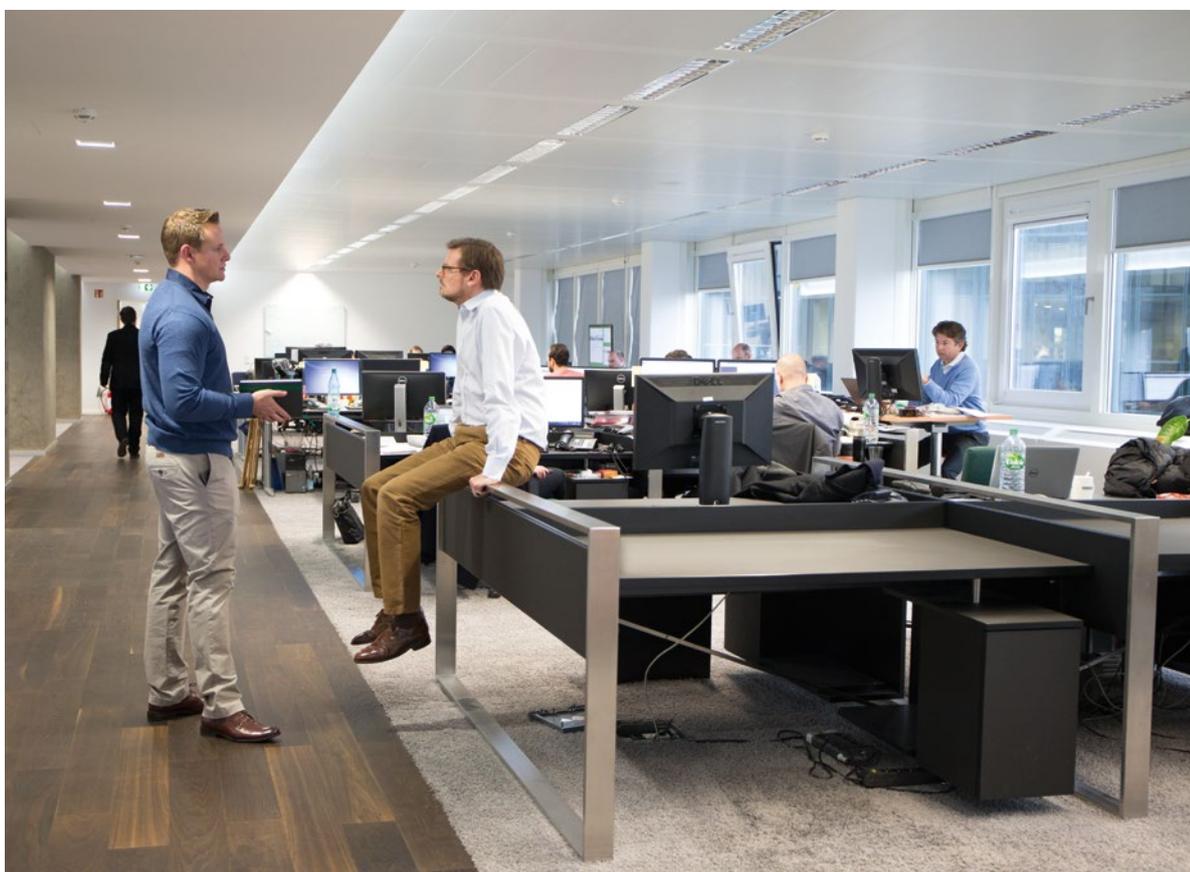
Ultimately, the programmer arrived from Down Under: with tattoos, piercings, and wearing flip-flops. Kölzer recalls a brief moment of shock when he opened the door. Mathew had sold his car, said goodbye to his girlfriend, moved out of his flat, and bought a one-way ticket to Germany, ready to start at 360T. “And he is with the company to the present day: he manages our business in Asia.” The first three staff members are still on board – in fact, many have been with 360T for ten years.

Is there too much money chasing too few ideas in the fintech market these days? Kölzer’s answer is reluctant: “Money does not hurt.” But he adds that even a lot of money cannot force good ideas: “Even nine mothers won’t have a baby in just one month.” In any case, he was forced to concentrate on the essentials: a strong motivation to succeed, with the resources available. At the time, Kölzer was unaware of the difficulties and pitfalls in FX trading. “We just hit the ground running. At the beginning, we simply didn’t know that we needed to be regulated, for example. Today I know that many ideas fail when they hit such hurdles. Back then, I was blissfully unaware of just how complex this was going to be.”

The mainspring for Carlo Kölzer was “the sky is my limit” – even at the cost that the company might fail to take off. By consciously choosing to take this risk, he exhibited an intuition, motivation and willingness to take risks of true entrepreneurial spirit, a strategy which in this case paid off. ✕

360T AND FX TRADING

With daily turnover in excess of US\$ 5 trillion, the foreign exchange market is the most important financial market segment internationally. Deutsche Börse Group has benefited from a competence centre for global foreign exchange trading since mid-2015: 360T, whose state-of-the-art trading platform facilitates secure and transparent trading in foreign currencies, money-market products as well as currency and interest rate derivatives. With a daily trading volume of US\$100 billion, 360T® is the largest FX trading platform worldwide.





Alexandra Hachmeister is the head of Regulatory Strategy in the Public Affairs section at Deutsche Börse Group. She is a member of the Group Management Committee.

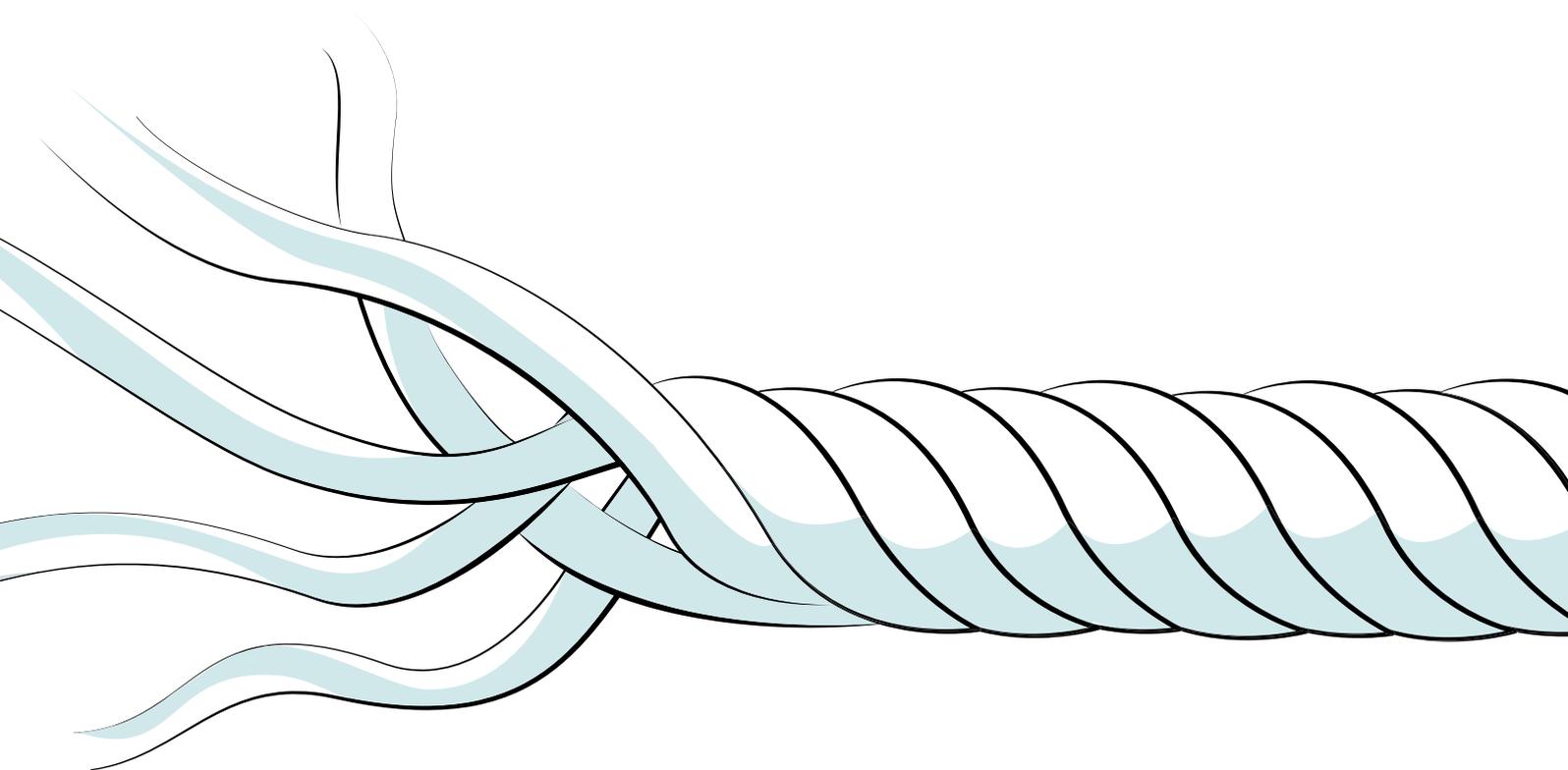
Connecting interests

AMBITION – REGULATORY STRATEGY

Lack of transparency, unhedged exposures, inefficient risk management, loopholes in financial markets regulation: not so long ago, these and other factors helped destabilise the financial system up to a point when, in 2008, a global crisis broke out – a crisis which has prevailed since then. The first measures implemented by decision-makers in their efforts to deal with this crisis focused on creating sustainable stability by regulating and realigning the international capital markets. Neutral financial markets infrastructure providers, such as Deutsche Börse Group, played a key role in this realignment since they connect a heterogeneous group of capital markets participants with regulators. The providers of such infrastructure carry a heavy load of functional, strategic and macroeconomic responsibility.

CURRENT DEVELOPMENTS

The G20's commitment to strengthening the system triggered, amongst other things, the regulation of OTC derivatives trading enshrined in the European Market Infrastructure Regulation (EMIR) of 2012. Current regulatory efforts aimed at financial instruments trading (MiFID/MiFIR) and central securities depositories (CSD-R), as well as the creation and dissemination of benchmarks, are all designed to remedy the mistakes that resulted in the financial markets crisis.



REGULATION AND GROWTH ARE TWO SIDES OF THE SAME COIN

Smart regulation of European capital markets may prove to be a powerful engine to drive the sector. This is of particular importance from a competitive point of view, especially with regards to the financial centres in Asia and the US. And because of global competition, it is high time Europe turned its attention back to growth, fostering investments and new approaches – the main objective of the European Capital Markets Union. The EU Commission under Jean-Claude Juncker initiated the Capital Markets Union in 2015 to strengthen cross-border capital flows and provide businesses with better funding sources. Deutsche Börse supports this important project to the best of its abilities, for example through its newly established “Deutsche Börse Venture Network” (see [“Financing the future” on page 21](#)).

EFFICIENT APPLICATION OF REGULATORY RULES

Transparency, fairness, neutrality, stability and efficiency are Deutsche Börse Group’s core values. They have enabled the Group to act as a reliable partner for policymakers and regulators, in particular over these last years, and help clients fulfil diverse regulatory requirements along their value chain. This is essential

for a heavily regulated provider of infrastructure to the financial markets. Regulation has become a key driver of Deutsche Börse Group’s strategy.

The added value this strategy provides lies in the dedicated and timely analysis of economic and capital market issues as well as of regulatory trends, since it lays the groundwork for strategic dialogue with politicians and regulators on the effects of regulation. Deutsche Börse Group in turn reflects the results of this dialogue in products and services for the benefit of all market participants, for example in their regulatory reporting platform (see [“Our clients have a say” on page 28](#)) or post-trading offers for TARGET2-Securities (see [“A new architecture of trust” on page 35](#)). ✕

INNOVATION – THE NEW REGULATORY REPORTING HUB

“Our clients have a say”



Marco Popp is part of a larger, Group-wide team working on new products for regulatory reporting.

The latest amendments to the EU Markets in Financial Instruments Directive – known as MiFID II – are the big topic on financial markets these days. The new Directive, aimed at transparency and the detection of market abuse, marks a new high in terms of regulation. Reporting obligations – including those for information which to date was considered irrelevant – are complex and demanding; it is fair to say that many questions will only be answered over time.

“Deutsche Börse Group and its clients will have to look into the details”, says Marco Popp from the Market Data + Services division, who is a member of a cross-divisional project group on Regulatory Reporting and MiFID II. “As a market participant, for example, you cannot simply go and report all the data you have generated. This would not be accepted as qualified reporting, and would lead to so-called ‘findings’ – reporting errors which may in turn lead to serious fines. And that is just the reporting side. Many of our clients face additional issues, such as collecting data in-house, compiling and processing it for reporting to the competent authority, having aligned the data to match requirements. We can support our clients across this entire processing chain.” Everyone concerned – regulators, trading participants, as well as Deutsche Börse – has yet to gain concrete experience with the new rules. Hence, the project team is convinced that a dynamic, cooperative model is the only way forward: “There is no such thing as an optimum, all-in, ready-to-go solution,” Popp says, adding: “Or it would be too late – not exactly ideal either.”

MiFID II – BACKGROUND AND DETAILS

The EU Markets in Financial Instruments Directive – or MiFID – is a directive which sets the legal framework for providing investment services related to financial instruments, such as intermediation, advisory services, trading, portfolio management, underwriting etc. The Directive is applicable for banks and securities firms, as well as operators of regulated markets. Its overarching goal is to promote the integration, competitiveness and efficiency of financial markets in the EU. MiFID II refers to the current revision of the Markets in Financial Instruments Directive, with the objective of making financial markets more efficient, more resilient and more transparent. Besides strengthening investor protection, MiFID II includes new procedural rules for algorithmic trading.

MANAGED TRANSPARENCY

Popp continues: “We started with a dynamic, collaborative approach, having restructured product development from scratch, in an interactive manner. In short, you could summarise our model as ‘inform – discuss – offer’.” Very short indeed, since this involves a complex process flow with many interdependencies. A method that is currently en vogue came in handy for the team: the ‘scrum’ method uses an open approach where processes can grow alongside the tasks at hand, for as long as possible. After all, it is impossible to define everything from the very beginning. Using this method allowed the team to create transparency – both internally and vis-à-vis clients and other stakeholders – and to manage it appropriately.

One key objective was defined at the outset: the goal was to establish a dynamic, open platform for comprehensive regulatory reporting. “This meant approaching clients at a very early stage – with contacts not just from the core project team, but also from the Group’s sales

teams. We convinced our colleagues to touch base with their clients with a preliminary ‘door opener’ – a very short piece of information.” Of course, an issue such as MiFID II is an ideal opportunity for cross-divisional client contacts, and clients were indeed interested, right from the start. As project manager Popp puts it: “Maybe Regulatory Reporting is a topic that benefits from a favourable framework right now. But we are indeed proud of the Group-wide team effort we have undertaken in this respect.”

WORKSHOPS WITH ALL STAKEHOLDERS

Passing on information and exchanging views was the focus of the second stage. The project team organised workshops, in Germany as well as throughout the European market, with regulators actively taking part as key stakeholders. “We succeeded in building a sound format for an open exchange of views, with Deutsche Börse Group acting as an honest broker.” It was only then that client discussions in a narrower sense kicked in. “Our joint workshops, together with

FURTHER INFORMATION

For more details, please refer to the ["Regulatory environment"](#) section of the combined management report in the 2015 financial report.

The central landing page can be accessed via

deutsche-boerse.com/regulatory-reporting

Or contact Deutsche Börse Group's team of experts directly, by e-mail to

regulatory-reporting@deutsche-boerse.com

clients and regulators, are a case in point for the responsible manner in which we dealt with our clients – and with our knowledge.” Thanks to this model approach, the team even succeeded in establishing contacts with firms in the UK – an extremely challenging market for non-resident providers of solutions for regulatory tasks.

The pilot phase is running at present. The platform has been launched, with functionality being added step by step. In fact, the first clients are already working on the “live” database: “This is not a prototype version that you would discard after testing – it’s the database to which all functional features will be added over time. There is nothing as valuable as this live feedback.” Deutsche Börse has been discussing planned functionality in detail with interested parties since mid-2015, allowing for customised offers to be requested. The first pilot clients have been online since February 2016.

Was that it – or will there be more? “Interesting question,” says Marco Popp, “on the one hand, we have already achieved quite a lot – but on the other hand, we are still at the beginning. This is because even though MiFID II might well represent the peak of regulatory activity for the time being, it will certainly not be the end.” Popp firmly believes that the new platform is the right tool for clients’ international business, as well as for future regulation. “Step by step, we will be able to append additional regulations to the platform, conducting live tests with our pilot clients, and adjusting the platform to their respective requirements – true to our fundamental principle of involving all stakeholders into the process.” Deutsche Börse Group thus lives up to its responsibility as a leading market infrastructure provider. ✕

**ASSET SERVICES**

Various additional services are required in connection with the safekeeping (custody) of assets, including the handling of corporate actions, dividend payments and tax services. Likewise, services to investment funds have gained importance over recent years. All these services are available to market participants from Clearstream, Deutsche Börse Group's post-trading services provider.

Custody is a business area of Deutsche Börse Group. [p. 7](#)

**REGULATORY REPORTING**

International capital markets are shaped by ever more complex regulatory requirements, such as reporting duties or transparency requirements. Responding to this trend, Deutsche Börse Group has joined forces with various customers to develop an innovative Regulatory Reporting Hub, comprising the Group's comprehensive range of services designed to fulfil the various reporting duties imposed by different regulators and in different jurisdictions. The Hub will support market participants in their reporting to the various national authorities, taking the respective requirements (which may differ considerably) and other regulations, such as data protection, into account. For participants, this service will provide higher efficiency and lower risks, since they will be able to obtain all the solutions they require from a one-stop shop.

Market Data is a business area of Deutsche Börse Group. [p. 8](#)

STATUS – SUSTAINABLE INVESTMENT

Responsibility is more than just a business deal

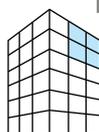
SUSTAINABLE INDICES

Deutsche Börse Group is strongly committed to neutrality, objectivity and transparency. We have therefore created several indices that focus the attention of capital market participants on companies with sustainable business practices. In 2015, Deutsche Börse Group expanded its range of sustainability indices to a total of 35. The set of sustainability criteria applied to determine which companies are included, is fully transparent. Based on data provided by Sustainalytics, a sustainability research and analysis specialist, this index model allows investors to fully understand how companies are rated in terms of their environmental, social and governance (ESG) performance, and the importance of these factors.

SUSTAINABLE INVESTOR PORTAL

As the central point of contact between different capital market participants, Deutsche Börse Group aims to promote market transparency. In particular, we aim to improve the availability of high-quality ESG information and to enable a better understanding of its relevance. To this end, Deutsche Börse's online information portal for sustainable securities, which can be found at boerse-frankfurt.de/sustainability, provides market participants not only with financial data, but also with

key sustainability figures as well as data provided by the Carbon Disclosure Project, an international non-profit initiative with a focus on climate change. In addition, Deutsche Börse Group offers investors and the broader public a comprehensive overview of the sustainability reporting activities of companies listed in Germany's key indices DAX®, MDAX®, SDAX® and TecDAX®. ✕



MARKET DATA

All capital market participants – private and institutional investors, asset managers, securities trading firms or fund management companies – make decisions based on market data, creating new information in turn. Deutsche Börse's most prominent data products include real-time and historical price data of the Group trading systems Xetra® and Eurex® as well as a number of cooperation partners such as the Irish Stock Exchange. The data is disseminated directly via data feeds and indirectly through data vendors. The product range also comprises real-time data of the DAX® and STOXX® index families as well as the financial news services of the subsidiary MNI.

Market Data is a business area of Deutsche Börse Group. [p. 8](#)



Rob Jolliffe, an experienced investment banker and trained historian, took over responsibility for all sales activities of Deutsche Börse Group as Head of Sales in August 2015.

“A new sales culture”

AMBITION – INTERVIEW WITH ROB JOLLIFFE, GLOBAL HEAD OF SALES, DEUTSCHE BÖRSE GROUP

WHAT WAS THE FIRST IMPRESSION YOU GOT OF DEUTSCHE BÖRSE GROUP? AND WHAT HAD BEEN THE FIRST STEPS?

What I found when I first got here was that the sales force were “siloesd” into their business units – and they still are to a large extent. We are trying to encourage the sales people to come out of those silos, have a look around like a meerkat, and go back down into their silos to do their day job where they are specialised sales people. But also to reach out and see what other oppor-

tunities are going on within the Group. So one of the things I found was lacking when I first got here was penetration of the clients at a senior level. What I have done is to create a role of “Group relationship managers” and I have hired five people so far and they are going to work with our existing and our future client base on a very high level, actually at the C level. That way we can build relationships from the top level down rather than just coming from the bottom level up, which is the way we have been developing our relationships over the past ten to fifteen years really.

DO YOU THINK THE MARKET IS REALLY AWARE OF DEUTSCHE BÖRSE GROUP'S EXISTING PRODUCT AND SERVICES PORTFOLIO?

The question really is: is the market aware of Deutsche Börse Group itself? Because Deutsche Börse Group is a conglomerate and it has various different very well-known product silos. You've got, for example, Eurex, you've got Clearstream, two brands which are very well known to quite a lot of people, particularly outside of Germany, who do not know that Deutsche Börse is part of those organisations. So the branding of Deutsche Börse Group needs to be stretched wider, because at the moment many clients just say: "Oh yes, Eurex, I know Eurex". But they do not know that Deutsche Börse is the owner of Eurex. It is the same with Clearstream, they know Clearstream but they do not know that Clearstream is "married" to Deutsche Börse, to Eurex, to 360T etc.

DO YOU SEE A DEMAND FOR PRODUCTS AND SERVICES THAT DEUTSCHE BÖRSE GROUP DOES NOT YET COVER?

I feel that there needs to be a much higher influence of the sales input into the product development at Deutsche Börse, and that's why I am very keen to work with Ashwin Kumar. Because he understands the products, and the products on the sales side need to be interwoven together from the starting point until the final delivery point as well.

HAS THERE BEEN A PARTICULAR EXPERIENCE WHICH HAS IMPRESSED AND MOTIVATED YOU?

The most influential person in my life was a history teacher when I was in school, when I was 13 or 14 years old. I loved history as a subject and he taught me how to have perspective and not objectivity; he basically told me to challenge the status quo all the time, to constantly revise the status quo, not accepting the current status as the only status available. And it is the same in the work place, to constantly revise how you are working, if you've got best practices, where are new influences and new ideas, new ways of organising. And that is the way I am constantly looking at my business. Because if you don't, you become stuck in a rut, you don't expand your horizons and your thinking which makes it very dangerous for an organisation and for people within an organisation.

HOW DO YOU SEE DEUTSCHE BÖRSE GROUP'S FUTURE SALES ORGANISATION?

Okay, coming back to the Group relationship managers. They are going to set the tonus as to how one should cover a client. And they are going to set the tone by covering the top 40 to 50 clients in a way which is agnostic, leads from seniority and also works with the product people who cover that particular account. And I think leading by example we can develop a new sales culture at Deutsche Börse. ✕





A new architecture of trust

STATUS – HOW TARGET2-SECURITIES IS REVOLUTIONISING EUROPEAN CUSTODY

TARGET2-SECURITIES

TARGET2-Securities (T2S) is a major pan-European project of the ECB to harmonise cross-border securities settlements. CSDs and central banks will be implemented on the platform in five waves. Clearstream, representing 40 per cent of T2S's future settlement volume via its post-trade infrastructure for the German market, will join with the fourth wave in February 2017. Clearstream will be the first European provider to combine global liquidity management with the benefits of a harmonised market via T2S.

With the implementation of TARGET2-Securities (T2S), the European settlement and custody system is being radically reformed. The transformation is in full swing, and both national and international central securities depositories (CSDs and ICSDs) – as well as their customers – need to prepare for the launch of the European Central Bank's settlement platform. The migration of all participating CSDs, ICSDs and central banks is scheduled to be completed by 2017. Clearstream, Deutsche Börse Group's settlement and custody services provider, occupies an important and particular place in the field, as it offers both CSD and ICSD services. It is Deutsche



Karla Amend is Head of Section for the TARGET2-Securities team of the Operations Clearstream department at Deutsche Börse Group.

Börse Group's "one-stop shop" for settlement, custody and asset services, as well as highly efficient collateral and liquidity management. Clearstream settles about 40 per cent of European securities trades. Its unique architecture, integrating both depositories, a complete product range across the value chain and (last but not least) the trust it has built over many years are the reasons why many customers decide to entrust Clearstream with their assets in anticipation of T2S.

TRUST AND COMPETITION

T2S is an ECB initiative to harmonise and simplify securities settlement in 23 European countries. Once the platform has been implemented across participating

countries, settling transactions in T2S-eligible securities in central bank money will merely require a cash account at the responsible national central bank.

With T2S, national CSDs will need to cooperate to a much greater extent than before. They have formed the CSD Steering Group (CSG), whose chair is set to alternate at regular intervals. Through the CSG, ECB and CSDs work together on customer-friendly solutions. On a European level, an exemplary model of checks and balances was established between the national CSDs, acknowledging both the importance of players with larger settlement volumes as well as smaller institutions.

Clearstream finds itself well-positioned for T2S settlement, particularly in light of Deutsche Bundesbank's prominent role amongst European central banks. Now, it is time to adopt this position emphatically – in the interest of a well-functioning financial market and efficient European securities settlement. Europe's largest provider is thus positioning itself as a responsible and experienced broker of common interest.

A BUSINESS MODEL FOCUSED ON LONG-TERM GROWTH

Below the level of cooperation, each CSD has its own business model. Clearstream, for example, providing both CSD and ICSD services, will offer a structured post-trade service for European and global markets, focusing on liquidity management as it grows in importance.

Clearstream has been setting standards in the market for many years. Early on, it published a pricing model for T2S that included the settlement fee being passed on to its customers without adding any margin. In the beginning, this unusual decision caused unrest amongst providers. However, one of the main objectives of the T2S process is cost reduction, and introducing a pricing model contrary to the T2S core theme would have turned out to be counterproductive in the medium term.

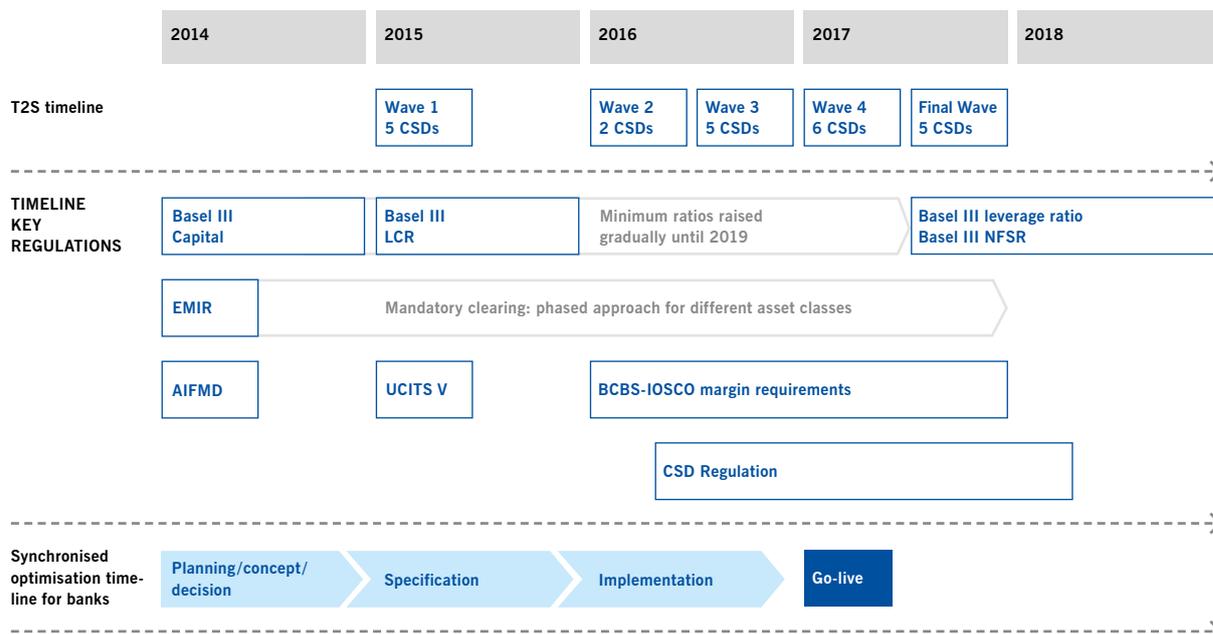
CUSTODY

Following trading and clearing, securities must be settled, meaning that they need to be booked to the correct securities accounts, and then kept in safe custody. Within Deutsche Börse Group, this function is performed by Clearstream. Clearstream comprises both a domestic and an international Central Securities Depository (CSD) and provides access to more than 90 currencies and 54 markets. In line with their respective tasks, both CSDs will participate in the uniform European settlement framework (TARGET2-Securities, T2S) from 2017 onwards. Deutsche Börse Group will thus be able to offer a comprehensive, global service to its clients. The international CSD will facilitate T2S settlement using central bank money, not just across European markets, but also for securities issued in Asia, for example. In this way, Deutsche Börse Group allows for the efficient, worldwide use of assets held in custody with the Group – e.g. as collateral.

Custody is a business area of Deutsche Börse Group. [p. 7](#)



Timeline migration



Complementing the waiver of own settlement fees, Clearstream focused on expanding its custody and asset services as well as liquidity and collateral management. Clearstream provides all of these services within its own process chain: via its Luxembourg-based ICSD and its Global Liquidity Hub that enables participants to fulfil their margin obligations vis-à-vis clearing houses, amongst other things. Within this integrated process chain, Clearstream customers may choose whether to settle their securities in euro central bank money or commercial bank money. Deutsche Börse Group also caters to the growing needs of customers in terms of legal, regulatory and tax-specific topics with efficient offerings and services.

Clearstream has adjusted its fee schedule for custody services and enlisted the support of its customers in carrying the costs of adapting the new T2S infrastructure – in combination with benefits of a discount scheme applicable until 2020. Trust that has grown over many years is indispensable for long-term customer loyalty. And it is the secret of success for market leaders such as Clearstream. ✕



LIQUIDITY MANAGEMENT

Financial market regulation has tightened banks' equity capital requirements. Corporate treasury departments have a constantly growing need for liquidity management tools in order to gain relief on their equity. Through Clearstream's Global Liquidity Hub, Deutsche Börse Group offers financial institutions optimal global liquidity management. What is unique about this hub is the fact that assets pledged as collateral remain in their respective home market, thanks to Clearstream's network of international partnerships. Since this approach does not create any systemic risk, it is also welcomed by regulators. As another benefit, Clearstream precisely selects collateral in line with the type, credit quality and rating of the securities concerned, in order to precisely cover the financial risk at hand. This means that collateralisation is as efficient as possible, without unnecessarily requiring liquidity.

Collateral and Liquidity Management is a business area of Deutsche Börse Group.

[p. 8](#)

Will trade: London for Singapore



FRANK ODENDALL
 Derivatives Product Development,
 Product R & D Fixed Income
 Nationality: German
 Singapore, since 2015
 London, 2011 to 2014

RESPONSIBILITY – PEOPLE AND LOCATIONS

What is “normal” is a matter of perspective. That is something Deutsche Börse Group employees Frank Odendall, Valentina Popescu, Heidemarie Seltmann and Vassilis Vergotis know all too well. They have lived and worked in various Group locations, and have become culturally adept when it comes to changing their perspective.

They are now based in Chicago, Eschborn, Luxembourg and Singapore – having worked for Deutsche Börse in Frankfurt, London or Prague in the past. They are four of many who seize the chance of working in the foreign parts of the Group’s environment. The reasons for taking such steps have been varied. For some, it was simply out of curiosity about living something and somewhere new; others were drawn to an interesting project that made them pack their bags. What made Heidemarie Seltmann move to Luxembourg? “The canteen offering of sliced mangoes,” she jokes. That’s what she always says before sharing her real reason – she was offered a new job in quality management where she could make use of her client service expertise. Working be-

tween two locations, Luxembourg and Frankfurt, added to the appeal. Vassilis Vergotis fell for the challenge of building a new business segment in Chicago. “It was a very dynamic environment. We had to make quick decisions, find new ways, and needed more spontaneity than I had ever seen in Germany,” he recalls.

Deutsche Börse Group employees hail from 85 countries and work at 38 locations in 30 nations. The Group’s workforce is as diverse as the markets the company is active in. The employees’ cultural background, training and experience in life shapes the values they adhere to – and the expectations they have of others. In Singapore, Frank Odendall is living diversity every day. His colleagues are from Thailand, Malaysia, Great Britain and Germany. “The differences become more pronounced when people with different cultural backgrounds meet, for example Europeans and Asians, but I enjoy it. We learn a lot from each other because we expose each other to new perspectives and new ways of thinking,” he explains.



HEIDEMARIE SELTMANN

Core Markets Development,
Business Consulting
Nationality: German
Luxembourg, since 2007
Frankfurt, 2004 to 2007



VALENTINA POPESCU

IT Infrastructure & Operations,
Service Management
Nationality: Romanian
Eschborn, since 2015
Prague, 2011 to 2015



VASSILIS VERGOTIS

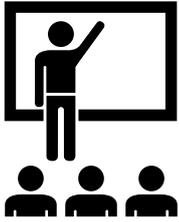
Derivatives Markets Trading,
Sales Americas
Nationality: Greek
Chicago, since 2004
Frankfurt, 2000 to 2004



Diverse cooperation raises awareness for both similarities and differences, and furthers flexibility. Frank, for example, has learned to be more patient. In Asia, he says, it takes more time for people to trust each other, be it colleagues or clients. And in Luxembourg, Heidemarie found that German colleagues looking for a solution in meetings always aim for getting to the point quickly, while team members from French-speaking countries like getting into the details and make sure that every aspect is accounted for. She sees that “people are more flexible in an intercultural team when it comes to finding solutions and values, and creating a team culture. It’s a unique chance for growth, not only on a business level, but also personally.”

But the learnings – and teachings – of these globetrotters are not limited to intercultural understanding. Valentina Popescu, who worked in the Prague back office for a client before moving to Eschborn, recalls her situation: “My focus was entirely on that particular client, but when I moved to Eschborn, I saw the big picture. I have got to know Deutsche Börse Group much better since

I came here.” Apart from gaining a new perspective, globetrotters help build bridges between Deutsche Börse Group’s locations. When they move to a new office, they not only bring with them their work experience, but also knowledge about their previous workplace. They come with a network. When contacts or explanations are required in their new environment, they act as facilitators and “translators”. “My Chicago-based colleagues would like to grow, participate in cross-divisional projects. I know the culture and processes of many locations, and am happy to share my knowledge to help colleagues achieve their goal,” says Vassilis. ✕



TRAINING

Improving the company's efficiency and effectiveness starts with its employees: they can choose from a number of individual training options.



BEVERAGES

Hot and cold drinks in the office and staff restaurants are free for all employees

Deutsche Börse Group as employer

RESPONSIBILITY – OFFERING REAL BENEFITS



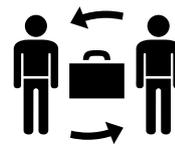
WORK-LIFE BALANCE

Employee health issues are central to the company's Job, Life & Family programme. Work-life balance classes such as business yoga, fitness boxing, qi gong and strong back are offered to meet local demand and requirements – and to support a health-conscious lifestyle, both physically and mentally.



JOB TICKET

Getting to work eco-consciously and fast – and into the city for a good movie afterwards. The company supports commuters travelling via public transport with a job ticket.



JOB ROTATION

Job rotation options for employees and managers

FACTS AND FIGURES AS AT 31 DECEMBER 2015



**5,283
EMPLOYEES**

work for Deutsche Börse Group.



**650 NEW
STAFF MEMBERS**

add to our company culture.



**EMPLOYEES
BY REGION**

Europe: 90%
North America: 6%
Asia-Pacific: 4%



PART-TIME WORK

Flexible solutions for working hours and location, tailored to the individual needs and family circumstances of our staff



MENTORING

Our mentoring programme gets new colleagues off to a good start at Deutsche Börse Group. Experienced employees assist them in networking beyond their own department and offer a comprehensive cross-divisional understanding of the company.



PARENTS' NEEDS

At the locations Frankfurt/Eschborn, Luxembourg and Prague, an emergency parent-child office is available to employees with young children, and an emergency childcare service is offered to employees in Frankfurt.



CAR PARK

Free or subsidised parking for all employees



STAFF RESTAURANTS

The company's staff restaurants adhere to principles of sustainability and offer culinary variety to meet the tastes and nutritional requirements of our employees, who also receive a generous meal allowance.



PEOPLE PRINCIPLES

Our five People Principles describe the expectations for a cooperative and professional working environment at Deutsche Börse Group: respect, teamwork, recognition, result orientation and customer focus.



AGE STRUCTURE BY GENDER

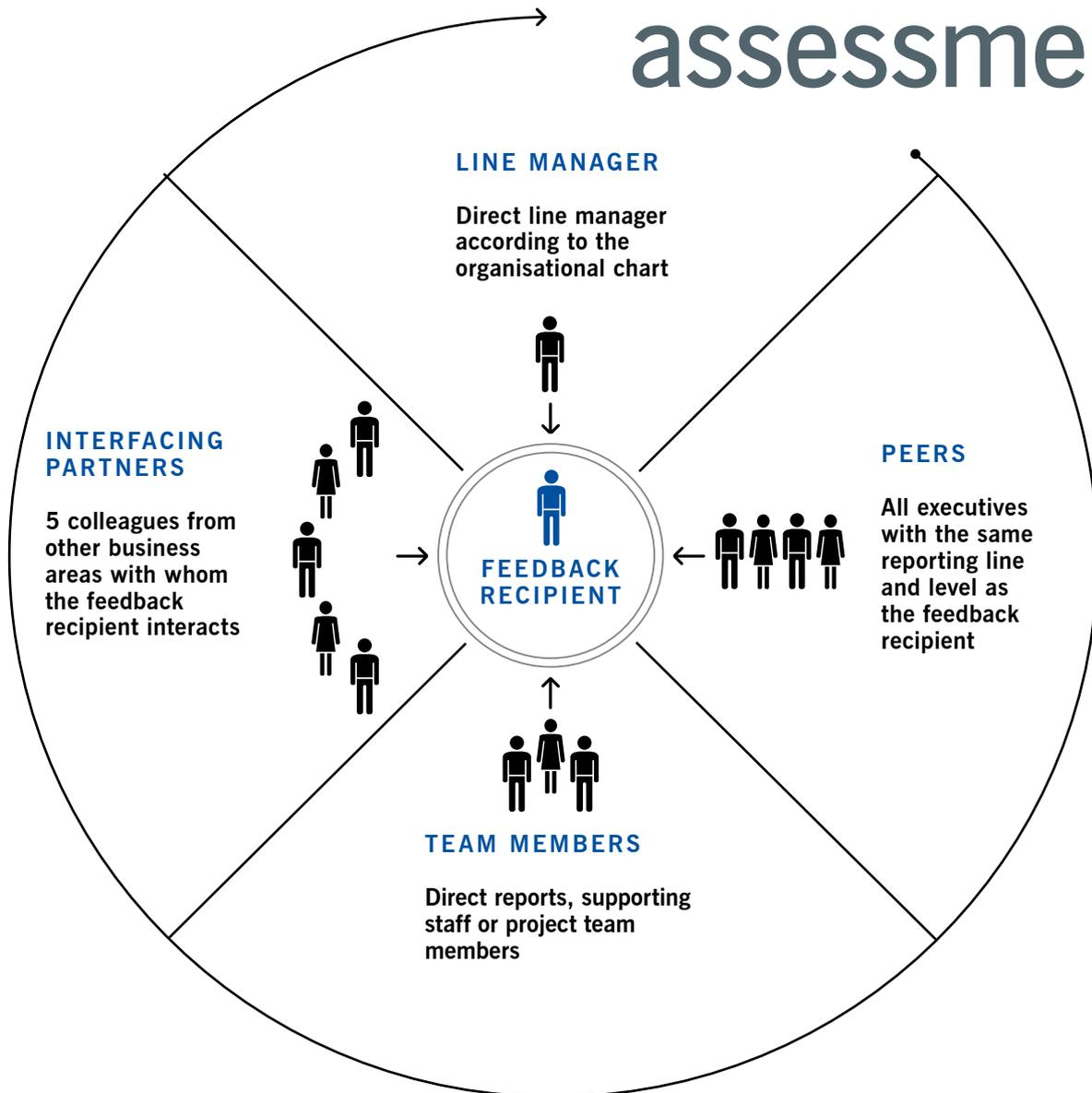
| Age | Women | Men |
|-------|-------|-------|
| <30 | 357 | 384 |
| 30-39 | 857 | 1,086 |
| 40-49 | 592 | 1,098 |
| >50 | 271 | 638 |



AGE STRUCTURE BY LOCATION

| Age | Germany | Luxembourg |
|-------|---------|------------|
| <30 | 239 | 110 |
| 30-39 | 599 | 285 |
| 40-49 | 748 | 483 |
| >50 | 532 | 200 |

360-degree assessment



“We apply the feedback system in a way that benefits each individual. For example, it might identify particular and clearly state potential growth areas for an aspiring manager.”

SABINE ROECKL-SCHMIDT, HEAD OF HUMAN RESOURCES

“This new kind of feedback, bringing together self-assessment and third-party evaluation, is much more than a diagnostic tool. We will use it to grow a culture of feedback and to sustainably grow Deutsche Börse Group.”

JENS HACHMEISTER, CHIEF OF STAFF

RESPONSIBILITY – AN EVALUATION FROM EVERY LEVEL

Feedback raises awareness. Awareness fosters growth. Growth means progress, both on a personal and on a business level. To discover and develop our full potential, we need open and constructive feedback on our behaviour. Understanding the discrepancies between the way we see ourselves and the way others see us is essential for further growth.

It is against this background that Deutsche Börse Group will establish 360-degree feedback in its organisation for all executive staff, i.e. managers, experts and project managers above a certain level.

In a 360-degree assessment, an employee’s self-evaluation is matched against an assessment from four other groups of sources: direct supervisors, peers at the same level and with the same reporting line, team members and other contacts within the company.

There are four stages to the process. First, the employees are asked to fill in a self-evaluation questionnaire. After consulting with their supervisor, they also name the colleagues whose feedback they would like to be included in the process. Second, the four groups of sources

fill in a questionnaire on the employee’s social skills, subject matter expertise, customer focus and leadership skills, using both rating scales and free-form comments. The more detailed the comments with regards to the employee in question, and the more telling the examples, the more meaningful and helpful the feedback.

The third-party feedback is evaluated by an external service provider. Once merged, the assessments stemming from the different groups are compared amongst each other and with the self-assessments provided by the employee.

The third and fourth stage of the 360-degree process are forward-bound, with workshops helping employees translate the results, teaching them about the next steps and showing them how to put the results to use in their daily work (phase 3). The employee and their supervisor will then together define ways of strengthening the growth areas that were identified (phase 4). Throughout the process, everyone involved learns that the feedback received from colleagues provides a valuable platform for self-reflection and discovering your own potential. ✕

“We want to manage risks efficiently”



British national Marcus Thompson took on the responsibility for risk management at the Group as Chief Risk Officer in October 2013 in the course of his long career with Deutsche Börse Group. He is also a Member of the Executive Board of Clearstream Banking AG.

RESPONSIBILITY – QUESTIONS FOR MARCUS THOMPSON, DEUTSCHE BÖRSE GROUP’S CHIEF RISK OFFICER

WHAT IS THE HIGHEST RISK FOR DEUTSCHE BÖRSE GROUP?

We have three different types of risk: first, operational risk; second, financial risk; and third, business risk. Our operational risk makes up about 70 per cent of the total. It is broken down into four categories, two of which are really significant: the first covers availability risk, and in particular, IT availability – what happens if our systems don’t work, with potential customer claims if the markets were closed; the second concerns legal

and compliance risks, stemming, for example, from sanction regimes in Europe and the US, which aren’t necessarily harmonised. Financial risk, which is about 20 per cent of the total, consists of market and credit risk. Unlike banks, we have very little market risk, and, although we have a lot of credit exposure, our credit risk is largely mitigated through collateral and through Eurex Clearing AG’s clearing fund. Business risk is the risk that revenues fall or costs increase so that we don’t meet our business targets. Essentially the biggest risk here is the risk of missing something new, something that

is going to completely change our markets – creative destruction, if you will. And this is why I think that “Accelerate” is so important in changing how we look at ourselves and how we do things.

WHAT WOULD HAVE HAPPENED IF GREECE HAD BECOME INSOLVENT?

We have Greek customers both at Clearstream and at Eurex Clearing. For a long time, we have not accepted Greek securities as collateral, and the credit lines that we give to Greek customers were in any event very limited and secured by collateral. So the credit risk was effectively zero. If the Greek state had defaulted, then we would have had no credit loss. There is very little business risk because we don't earn a lot of revenue from Greek customers. On the operational risk side, we had a task force at Clearstream dealing with the changes in regulation and the capital controls introduced by the Greek government. And that was something really new for all of us, I think, because the Greek government was introducing new legislation overnight, and we were having to follow it together with the rest of the market the next day. That was very difficult, because the legislation was in Greek, nobody had ever seen it before, and somehow we had to interpret it in the same way as our customers and avoid complaints of having actions taken in the wrong way. The situation would have been even more complicated if Greece had actually defaulted. But all in all, things worked out well because we were well prepared and the whole team came together daily for weeks to coordinate our response as the situation developed.

HOW WOULD YOU EVALUATE THE RISK THAT THE UK LEAVES THE EU?

For me personally, this is a very difficult question because, being British, but having lived in Germany for a while, I'm not sure how I would be affected. I see myself as being European, I want to remain European and that may mean taking a new nationality. From a business

perspective, the customers based in the UK are, of course, essential participants in the European capital market. A unified European capital market, which includes the UK, is certainly more competitive on a global scale than a fragmented one. If the UK left the EU, this would be a loss for all Europeans.

IS THERE A DIFFERENCE BETWEEN RISK MINIMISATION AND RISK MANAGEMENT?

From a business perspective, there are three risk management principles which we follow: we want to understand the risks that we're taking; we want to manage those risks efficiently, and we want to make sure that the relationship between risk and return is sufficient – that the return compensates for the risk that we take. Doing business, you take risk. But we want to see that the risks are managed actively within our risk appetite – that's what we mean when we say we manage risk “efficiently”. Of course, in certain essential parts of the market infrastructure, particularly the clearing house, we manage risks within a very tight risk appetite. ✕



INFORMATION TECHNOLOGY

Nowadays, exchange organisations are technology companies in their own right: resilient, state-of-the-art IT systems provide the foundation for virtually all capital markets services. In this context, uninterrupted systems operation at Deutsche Börse Group's data centres remains the cornerstone for reliable trading, settlement and custody services. This level of reliability is ensured by IT development and operations processes certified according to ISO Standards 9001 and 20000. In addition, Deutsche Börse offers tailor-made systems solutions to its clients, such as connectivity to Deutsche Börse's systems, specialised trading software, or solutions for SWIFT connectivity, accounts reconciliation and SEPA payments.

Technology is a business area of Deutsche Börse Group. [p. 8](#)

“Compliance is at the core of our beliefs”



James Freis holds both a Juris Doctor and economics degree and gathered broad international regulatory experience before joining Deutsche Börse Group in April 2014 as Chief Compliance Officer.

RESPONSIBILITY – QUESTIONS FOR JAMES FREIS, DEUTSCHE BÖRSE GROUP’S CHIEF COMPLIANCE OFFICER

WHY IS COMPLIANCE ESSENTIAL FOR THE SURVIVAL OF DEUTSCHE BÖRSE GROUP – AND WHAT ARE THE CUSTOMERS’ BENEFITS?

Compliance is fundamentally about protecting the integrity of the markets and thereby the interests of all market participants. In this context, compliance with regulatory requirements and ethical practices is at the core of our values as a leading operator of markets. The notion and modern expectations for a compliance function have their background in the financial services industry and specifically in the securities markets, in particular related to protecting retail customers and to promoting transparency among market participants. These concepts have now been expanded and deepened to apply not just more broadly across financial industry participants, but also to serve as best practices for all corporate entities.

WHAT ARE SPECIFIC COMPLIANCE CHALLENGES RELATED TO DEUTSCHE BÖRSE GROUP’S BUSINESS ACTIVITIES INTERNATIONALLY?

Deutsche Börse Group is unique due to the fact that it covers the whole value chain. And a fundamental aspect of a compliance programme is that it should be risk-based and tailored to the products and services

and jurisdictions unique to the specific entity we are. In short: we cannot copy, we have to make our own compliance programme in virtually every aspect. It is a crossborder business we are involved in, with different legal regimes, regulatory requirements and risks. We must define our own best practices, rather than just seek to fulfil the minimum requirements in individual areas. This is not only a challenge, but also an opportunity for us as a market leader.

WHAT ARE THE RETURNS OF AN INVESTMENT IN COMPLIANCE?

As part of this global movement and considering the ever-evolving global expectations in terms of compliance, Deutsche Börse Group seeks to be viewed as a market leader and one whose integrity is beyond reproach. Market participants will be drawn to this, and significant market players cannot afford to be seen as competing on a basis of lower compliance standards. To put it the other way around: a positive reputation will be a strong market differentiator, just like higher product quality. One of the lessons of the financial crisis is that financial infrastructure needs to be more reliable and resilient than the individual market participants – and this is also true in terms of compliance expectations. ✕



We develop values

AMBITION – OPPORTUNITIES AND EXPECTATIONS

Deutsche Börse Group has set itself a clear goal: over the coming years, we want to become the partner of choice for our clients worldwide, achieving a top position in all the business areas we are active in. That is the qualitative goal. Expressed in figures, this means that until 2018, we want to grow revenue by 5 to 10 per cent – every year. Thanks to economies of scale built into our business model, costs will rise to a lesser extent than revenue. This is because our platforms permit higher business volumes at relatively minor additional costs. The bottom line is that we want to boost profits by 10 to 15 per cent every year.

A very ambitious target indeed. How are we going to achieve that? By consistently exploiting the opportunities we have identified – and by exploring new areas of business, further diversifying our products and services. Allow us to provide some examples by way of explanation:

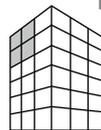
EXPLORING FOREIGN EXCHANGE

The foreign exchange trading platform 360T[®] has been part of Deutsche Börse Group since the summer of 2015. 360T is a young, dynamic business with a start-up mentality, which has added an entire asset class – foreign exchange, or FX – to Deutsche Börse's offering. Being a member of Deutsche Börse Group has provided 360T with access to our global sales network, opening doors which were previously closed to a 'small' start-up. With our support, 360T can in turn expand its range of services, evolving into the only foreign exchange provider offering a variety of traded products – from illiquid FX instruments right through to highly liquid futures contracts, plus the entire range of trading mechanisms and post-trading services such as clearing and collateral

management. Moreover, the shift from off-exchange trading towards transparent, electronic multi-bank trading platforms benefits 360T. Overall, we expect around €100 million per annum in additional revenue from this business by 2018.

EXPANDING THE FUNDS BUSINESS

We have expanded our service offering in the funds business with the takeover of Citco's hedge fund franchise. This means clients can now use Clearstream for settlement and custody of their entire funds portfolio, from traditional investment funds and index funds to hedge funds. During 2015, we acquired a number of renowned clients who have already transferred their portfolios to Clearstream. We anticipate a significant amount of new



LISTING

Deutsche Börse Group's capital market activities start in the pre-IPO market, where the Group brings together "real-economy" businesses with investors. The next step occurs when a company is ready to go public: its presence on the stock exchange starts with the exchange listing. The Frankfurt Stock Exchange allows companies of all kinds and sizes to raise equity or debt capital – SMEs or large enterprises, domestic or international. Investors may participate in the growth of the real economy – promoting it at the same time by providing capital.

Pre-IPO and Listing is a business area of Deutsche Börse Group. [p. 6](#)

CLIENTS INCREASINGLY APPRECIATE THE TRANSPARENCY AND EFFICIENCY OFFERED BY AN EXCHANGE MARKET.

business over the years to come, leveraging our services which guarantee maximum security. Over a medium-term horizon, we expect additional revenue per annum to the tune of €50 million.

GROWTH IN THE ENERGY SECTOR

Business with power and gas products is booming. European Energy Exchange (EEX), in which Deutsche Börse Group holds a majority stake via Eurex, successfully explored new markets in 2015, also winning market share from over-the-counter trading. This trend is set to continue, given that clients increasingly appreciate the transparency and efficiency offered by an exchange market. Our declared long-term goal is to create a single European power market. The energy business is scheduled to contribute additional revenue of around €50 million per annum over the next years.

GLOBAL INDEX BUSINESS

STOXX Ltd., which has been a wholly owned subsidiary of Deutsche Börse Group since the summer of 2015, is making excellent progress towards becoming a global index provider. STOXX continues to expand its index portfolio, especially in Asia and the US. Banks and fund management companies use indices as underlying instruments for the creation of financial products. Investors have increasingly come to prefer passively managed investments for some time now. This is evident, for example, in the constantly rising flow of funds into index funds – in which STOXX participates in the form of

licence fees. STOXX will grow revenue from this business by around €30 million per annum between now and 2018.

These factors are structural – meaning that they are caused by the continuous development of financial markets – and thus sustainable. We can anticipate these developments, creating the right offers to match the structural changes.

INCREASE IN KEY INTEREST RATES

There are also cyclical factors which we cannot influence, and which may have a positive or negative impact on our business. In particular, this includes monetary policy measures by central banks. Key interest rates, which have been low for many years, are burdening parts of our business. If global interest rates were to rise by 1 percentage point on average, this would translate into a revenue increase of approx. €100 million per annum. Whilst the US Federal Reserve raised interest rates (for the first time since 2006) at the end of 2015, we do not yet anticipate a similar move in Europe.

We have also launched numerous initiatives designed to generate growth in our various business areas. All told, we anticipate additional revenue of at least €400 million until 2018 from structural opportunities, plus at least €100 million from cyclical opportunities – this is equivalent to the growth target of 5 to 10 per cent per annum. ✕

A **ALLOCATION OF CAPITAL**
 Deutsche Börse Group monitors its portfolio of businesses on an ongoing basis. Above-average growth is a yardstick, provided it creates sustainable value(s): we want to keep on growing through acquisitions or mergers, exploiting promising options which are compatible with our strategy. At the same time, we promote entrepreneurial spirit within the company, and are prepared to spin off businesses. We will, however, terminate any initiatives which lack success over the medium term, and which fail to create sustainable value.

CONVERSION INTO A EUROPEAN PUBLIC LIMITED-LIABILITY COMPANY

Deutsche Börse AG is a European company with German roots and global reach. Therefore, the company shall be converted into a European public limited-liability company (Societas Europaea, SE). As a consequence, employee representatives from other locations will also join the Supervisory Board, giving the Board a more international profile – a clear signal that we understand Deutsche Börse to be an international enterprise.

Corporate governance from A to Z

COMPLIANCE

“Compliance” means conduct in accordance with applicable rules and laws. It is considered a key aspect of good corporate governance. For Deutsche Börse Group as a global financial services provider, the highest compliance standards are a matter of course – within the company and on the markets we operate. This is the only way to safeguard market integrity, and thus preserve the interests of all market participants. Therefore, compliance is a core aspect of our day-to-day operations. For more information on compliance at Deutsche Börse Group, please refer to the [interview with James Freis](#).

EMPLOYEE COMMITMENT

We will only be able to achieve our ambitious goals with well-informed and committed staff. Our Group-wide approach, thinking outside the box, and strict client focus require people who are committed to the Group as a whole, and to all of its clients. People who recognise potential for all segments of the value creation chain beyond their own area of responsibility.

DECLARATIONS OF CONFORMITY

Good corporate governance and responsible actions are no coincidence. The German Corporate Governance Code and the German Sustainability Code are key elements of our corporate culture. With our respective Declarations of Conformity, we create transparency as to how we comply with the provisions of these codes. We also comply with international guidelines – specifically, the United Nations Global Compact and the standards set by the International Labour Organisation. Our service providers and suppliers are committed to observing a Code of Conduct, and a Group-wide Code of Ethics applies to all members of staff. For more details, please refer to our [corporate governance declaration](#).

GROUP-WIDE SUSTAINABILITY

In its dual role as an organiser of marketplaces and an exchange-listed company, Deutsche Börse Group adopts a holistic stance in terms of its corporate responsibility. We are committed to sustainable conduct across the value creation chain. The goal of our Group-wide sustainability strategy is to strengthen economic and social benefits over the long term.

INVESTORS

Investors from all over the world have purchased Deutsche Börse AG shares, with institutional investors accounting for a clear majority of 95 per cent. The shares are a lucrative investment for private investors as well: Since Deutsche Börse went public in 2001, shareholders have benefited from an average annual return of around 14.4 per cent – by comparison, a direct investment in DAX® would have yielded an annual return of around 3.5 per cent in the same period. We maintain transparent and trustworthy communications with our shareholders. At our annual Investor Day, we provide extensive information on current strategic developments and projects. Please visit www.deutsche-boerse.com/ir_e for more details on Deutsche Börse's investor relations activities.

ORGANISATION

We have organised innovation, marketing and sales on a Group-wide level since the beginning of 2016. This consistent organisation allows us to better develop products and services in line with our clients' needs, and to deliver them within a shorter period of time. This has strengthened the Group's position as a responsible and reliable partner on the global financial markets – to buy-side and sell-side participants, other infrastructure providers, as well as to politicians and regulatory authorities.

REMUNERATION OF THE EXECUTIVE BOARD

We have introduced a new remuneration system for members of the Executive Board, with effect from 1 January 2016. The new system clearly strengthens the long-term, sustainable remuneration component, through a combination of an assessment basis extending over several years with sustainability elements and the deferral of disbursements. Executive Board members will not have any incentives to enter into excessive risks. Furthermore, under the new system, the Executive Board will not only participate in the company's profits. They will also be more exposed to risks than before. As such, the new remuneration system will also serve to align the interests of senior management, shareholders, and other stakeholders. For a detailed explanation of the new remuneration system, please refer to the [combined management report within the 2015 financial report](#).

TARGETS

Deutsche Börse Group will have to stand its ground in international competition – and it will succeed in doing so. Our goal is to propel the company into the global number one or number two position – in all its business areas. Our "Accelerate" growth strategy is dedicated to reaching this goal. For more details, please refer to the ["Strategic perspectives" chapter](#).

SUPERVISORY BOARD

The Supervisory Board is the key supervisory body of a public limited company. It supervises the Executive Board and gives advice on strategic issues. Deutsche Börse's Supervisory Board currently consists of twelve members. With the planned [conversion](#) of the company into a European public limited-liability company (Societas Europaea, SE), our Supervisory Board will become more international. More detailed information on the work of our Supervisory Board during 2015 is available in the [report of the Supervisory Board](#), the [corporate governance declaration](#), and the [corporate governance report](#).

QUALIFICATION OF SUPERVISORY BOARD MEMBERS

The German Corporate Governance Code requires that the members of the Supervisory Board have the knowledge, ability and expert experience required to properly complete their tasks. Over and above an understanding of commercial issues, the members of our Supervisory Board must have profound knowledge of capital markets, regulation, clearing, settlement and risk management issues. Detailed information on the qualifications profile is provided in the [corporate governance report, which is part of the 2015 financial report](#). The independence of Supervisory Board members is also essential for their ability to lead the company with integrity and determination. Relationships with related parties to the company they supervise may give rise to conflicts of interest. As stated in the [report of the Supervisory Board, part of the 2015 financial report](#), all shareholder representatives to the Supervisory Board were independent throughout 2015.

STAKEHOLDER ENGAGEMENT

Deutsche Börse Group maintains a continuous dialogue with all its relevant stakeholders, whose varied perspective on our fields of activity provide key impulses for the company's Group-wide orientation. Please visit www.deutsche-boerse.com/sustainability for more details on how we engage with our stakeholders.

WOMEN IN EXECUTIVE POSITIONS

In accordance with the Gesetz zur gleichberechtigten Teilhabe von Frauen und Männern an Führungspositionen (German Act on the Equal Representation of Women and Men in Executive Positions), the Executive Board of Deutsche Börse AG resolved to maintain the existing quota of women, which is 20 per cent in the Executive Board and 33.33 per cent in the Supervisory Board. For the two management levels below the Executive Board, the existing quotas to be maintained are 6 per cent on the first and 10 per cent on the second management level. These target quotas relate to Deutsche Börse AG (excluding subsidiaries) and will be valid until 30 June 2017. For more details, please refer to the ["Non-financial performance indicators" section of the combined management report](#).

JOACHIM FABER, *1950

Chairman
Independent Management Consultant, Grünwald
Nationality: German

ERHARD SCHIPPOREIT, *1949

Independent Management Consultant, Hanover
Nationality: German

CRAIG HEIMARK, *1954

Managing Partner
Hawthorne Group LLC, Palo Alto
Nationality: US-American

RICHARD BERLIAND, *1962

Deputy Chairman (since 13 May 2015)
Management Consultant – Executive Director
Richard Berliand Limited, Ashted Surrey
Chairman of the Management Committee
Renshaw Bay LLP, London
Nationality: British

KARL-HEINZ FLÖTHER, *1952

Independent Management Consultant, Kronberg
Nationality: German

MONICA MÄCHLER, *1956

Member of different supervisory bodies,
Nationality: Swiss

GERHARD ROGGMANN, *1948

Senior Advisor
Edmond de Rothschild
Private Merchant Banking LLP, London
Nationality: German

AMY YIP, *1951

Managing Partner, RAYS Capital
Partners Limited, Hong Kong
Executive Director, Vitagreen, Hong Kong
Nationality: Chinese (Hong Kong)

Our Supervisory Board

JOHANNES WITT, *1952

Staff member in the Financial
Accounting & Controlling department
Deutsche Börse AG, Frankfurt/Main
Nationality: German

MARION FORNOFF, *1961

Staff member in the HR
Europe & US section
Deutsche Börse AG, Frankfurt/Main
Nationality: German

JUTTA STUHLFAUTH, *1961

Lawyer, M.B.A. (Wales) and
Head of the unit Policies & Procedures
Deutsche Börse AG, Frankfurt/Main
Nationality: German

HANS-PETER GABE, *1963

Staff member in the HR Compensation,
Workforce & Talent Management section
Deutsche Börse AG, Frankfurt/Main
Nationality: German

IRMTRAUD BUSCH, *1956

Former staff member in the Business Consulting section
Clearstream Banking AG, Frankfurt/Main
Nationality: German

MARTIN ULRICI, *1959

Head of the Talent Management unit
Deutsche Börse AG, Frankfurt/Main
Nationality: German

FRIEDRICH MERZ, *1955

Lawyer and Senior Counsel,
Mayer Brown LLP, Dusseldorf
Nationality: German

DAVID KRELL, *1946

Chairman of the Board of Directors
International Securities Exchange, LLC,
New York
Nationality: US-American

RICHARD M. HAYDEN, *1945

Non-Executive Chairman
Haymarket Financial LLP, London
Chairman of the Senior Advisory Board
TowerBrook Capital Partners L.P., London
Nationality: US-American and British

THOMAS NEISSE, *1948

Independent Capital Market Advisor, Haibach
Nationality: German

HEINZ-JOACHIM NEUBÜRGER, *1953, † 2015

Independent Management Consultant, London
Nationality: German

SHAREHOLDER REPRESENTATIVES

EMPLOYEE REPRESENTATIVES

FORMER MEMBERS OF THE SUPERVISORY BOARD¹⁾

As at 31 December 2015 (unless otherwise stated)

1) The term of office of the former members of the Supervisory Board ended with the end of the Annual General Meeting on 13 May 2015.

Share price development

Closing price on 31 Dec. 2015

€81.39
+37%¹⁾

Dividend per share²⁾

€2.25
+7%

Key figures 2015

Net revenue (total)

€2,367.4 million
+16%¹⁾

Operating costs³⁾

€1,248.8 million
+17%¹⁾

Net revenue by segment (€ million)

| Eurex | Xetra |
|--------------------------------------|------------------------------------|
| 1,025.2 +27% ¹⁾ | 184.8 +14% ¹⁾ |
| Clearstream | Market Data + Services |
| 746.4 +7% ¹⁾ | 411.0 +8% ¹⁾ |

Earnings before interest and tax²⁾

EBIT

€1,124.0 million
+14%¹⁾

Return on shareholders' equity³⁾
annual average

22%

Cash flows from operating activities

€796.6 million
+16%¹⁾

Credit rating Deutsche Börse AG⁴⁾

AA

1) Growth rate compared to 2014

2) Proposal to the Annual General Meeting 2016

3) Adjusted for exceptional items

4) On 20 October 2015, Standard & Poor's changed the outlook from stable to negative.

Our locations



NORTH AMERICA

CHICAGO
NEW YORK
WASHINGTON, D.C.

EUROPE

AMSTERDAM
BERLIN
BRUSSELS
CORK
ESCHBORN
FRANKFURT/MAIN
LEIPZIG
LONDON
LUXEMBOURG
MADRID
MILAN
MOSCOW
PARIS
PRAGUE
ZURICH

ASIA

BEIJING
DUBAI
HONG KONG
MUMBAI
SINGAPORE
TOKYO

AUSTRALIA

SYDNEY

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